

**SUBJECT:** Setting guidelines for eligible work activities for TANF recipients

**COMMITTEE:** Human Services — committee substitute recommended

**VOTE:** 8 ayes — Naishtat, Chavez, J. Davis, Ehrhardt, Noriega, Raymond, Villarreal, Wohlgemuth

0 nays

1 absent — Telford

**WITNESSES:** For — Pat Cole, National Training Center on Domestic and Sexual Violence; *Registered but did not testify:* Jennifer Corrigan, Texas Council on Family Violence; Patrick Bresette, Center for Public Policy Priorities; Leslie Hernandez, National Association of Social Workers; Karen R. Johnson, United Way of Texas

Against — None

On — Judy Denton, Texas Department of Human Services

**BACKGROUND:** In 1995, Texas enacted welfare-reform measures that capped benefits by amount and time, instituted responsibility agreements, and required work or job training, as well as other requirements. The federal welfare-reform law in 1996 created Temporary Assistance to Needy Families (TANF) to replace the Aid to Families with Dependent Children, Job Opportunities and Basic Skills, and Emergency Assistance programs. While the federal reforms were similar to Texas' welfare-reform initiatives, the state received a temporary waiver from the federal regulations. The state's waiver is scheduled to expire in January 2002, at which time Texas will have to comply with the federal regulations or develop new regulations of its own.

Federal regulations require a certain percentage of a state's TANF recipients to be engaged in allowable work activities. Federal regulations recognize the following activities as work:

! unsubsidized employment;

- ! subsidized private or public sector employment;
- ! work experience, including work associated with the refurbishing of publicly-assisted housing, if sufficient private sector employment is not available;
- ! on-the-job training;
- ! job search and job readiness assistance not to exceed six weeks;
- ! community service programs;
- ! educational activities, including attendance in a secondary school, a program leading to a high school equivalency certificate, or vocational educational training not to exceed 12 months;
- ! job skills training directly related to employment; and
- ! the provision of child care services to an individual who is participating in a community service program.

Persons under 20 years of age also are deemed to be engaged in work activities indefinitely if attending certain educational programs.

A state may define additional activities as work, but the federal government is not required to recognize them for the purposes of calculating the state's maintenance of effort (MOE), which is what the state must spend to receive TANF funds.

DIGEST:

CSHB 1004 would require TWC to adopt rules to determine the work or employment activities in which a TANF recipient would have to participate to comply with TANF work requirements. In addition to all of the permissible work and employment activities allowed under federal regulations, TWC rules would have to include:

- ! attendance in an elementary, postsecondary, or technical school;
- ! attendance in an adult education or literacy program;
- ! participation in VISTA;
- ! receipt of instruction in English as a second language; and
- ! activities designed to address and remove barriers to employment, such as counseling and other services relating to mental health, substance abuse, or family violence.

TWC, the Department of Human Services, and the local workforce development boards would have to require compliance in the least intrusive

manner possible and could not require a person engaging in allowable work activities to attend appointments or take other action that would interfere with the person's work activities. The agencies also would be directed to provide these persons with information regarding available employment services that the person could access without interfering with the person's work activities.

The bill would direct any state agency to apply for a waiver or authorization from a federal agency as needed to implement the provisions of the bill and could delay implementing those provisions until the waiver or authorization were granted.

CSHB 1004 would take effect September 1, 2001, and would apply to a TANF recipient on or after that date, regardless of when they became eligible for services.

**SUPPORTERS  
SAY:**

HB 1004 would tailor the TANF program to Texas' particular needs by setting a broader definition of allowable work activities for TANF recipients than in federal law in order to help recipients get the skills they need to move successfully into work. As part of a package of TANF-related legislation that includes HB 1005 and HB 1006 by Naishtat, this bill would prevent Texas from having to use inflexible federal regulations when the state's TANF waiver expires in 2002.

If Texas does not create its own system, the state's TANF regulations will default to the federal regulations, which count fewer activities as work. It is crucial that the state maintain as much flexibility as possible in this regard, since TANF recipients have different needs that must be met in order to make them work-ready. For example, some people may need to learn new job skills while others may need to learn English or get help treating a drug addiction.

Texas especially needs to count English as a second language and adult literacy programs as work activities for TANF recipients. Few jobs today are available for people who cannot speak English or read, and providing job training or job assistance to these populations without associated language or reading help would not be likely to succeed in moving people off welfare. Texas needs the flexibility to provide the most appropriate programs,

including language and reading programs, to ensure that TANF recipients have the necessary skills to obtain and maintain employment.

Allowing enrollment in a postsecondary or technical school would help move more TANF recipients into higher-skilled, better-paying jobs, ensuring that fewer people return to welfare. Job assistance programs for welfare recipients usually place them in minimum-wage or other low-wage jobs with no benefits, giving people few incentives not to return to welfare. Access to higher education, however, would help prepare them for higher-wage jobs with benefits. On average, people with a bachelor's degree earn almost \$1,000 more per month than those without one, according to the 1990 census. Allowing enrollment in postsecondary or technical school to count as work for TANF recipients ultimately would reduce the number of welfare recipients in Texas, thus saving tax money.

Some people on welfare also may need counseling and other services relating to mental health and substance abuse in order to obtain or maintain employment. People with mental illness or drug addiction are unlikely to hold onto a job unless they receive help overcoming these obstacles. These hours should count as work activities, as they do in many other states, because they increase a person's employability and ultimately the ability to remain off welfare, which is the primary purpose of all TANF work-related activities.

HB 1004 also would encourage people who are leaving violent relationships to work by allowing them to count time spent in domestic violence counseling toward their work requirements. Because people who are leaving violent relationships face unique difficulties in transitioning to the workforce, including harassment from their former partners, they are eligible for a Family Violence Option waiver, exempting them from work requirements for up to a year. Some people, however, do not need a full waiver and could work some hours in addition to attending family violence counseling. By allowing the counseling hours to count as work, the bill would make it easier for these people to work and attend counseling and would move more of them toward self-sufficiency earlier.

OPPONENTS  
SAY:

HB 1004 should specify that Texas must adopt the limitations and restrictions on work activities to ensure that those activities count toward the

state's MOE. Without specifying this, individuals engaged in some of these work activities could be counted against the state's work participation rate, which could raise the state's MOE. This bill could be interpreted to assume that Texas should adopt the federal limitations and restrictions, but it would be better to say so explicitly.

Texas should interpret TANF work activities more narrowly. While the activities included in this bill are within the federal regulations, they would not convey the spirit of "work first." The goal of welfare should be to move people into work as quickly as possible to reduce the burden on state's welfare system. Some of the educational activities that HB 1004 would count as work are typically longer-term activities. Counting them as work would enable people to stay on welfare longer without beginning actual work activities.

Education only should be counted as work when it teaches skills specifically needed in obtaining a job. Many available jobs do not require a college or technical degree, or even reading or English skills. If a person wanted to pursue further education in order to obtain a higher-skilled or better-paying job, those activities should be done on that person's time, not while the person is drawing welfare from the state.

NOTES:

The committee substitute added additional permissible work or employment activities, including participation in an adult education or literacy program, attendance in an elementary or technical school, and participation in the VISTA program, and added a provision that would allow a person under 20 years of age to meet work requirements indefinitely by participating full-time in educational activities. The substitute removed a provision in the original bill that would have allowed a person to comply with work requirements for an unlimited period of time through participation in job search and job readiness assistance activities, as well as a provision that would have limited participation in a vocational education program to one year for purposes of meeting TANF work requirements. The substitute also added a provision directing TWC, DHS, and the local workforce boards to require compliance with work requirements in the least intrusive manner possible.

HB 1005 by Naishtat would require the Health and Human Services Commission, TWC, and local workforce development boards to develop and

implement a state program of temporary assistance and related support services distinct from financial assistance. HB 1006 by Naishtat would codify exemptions to TANF work requirements. HB 1006 was placed on the General State Calendar for floor debate on April 30, and HB 1005 was reported favorably as substituted on April 11 by the House Human Services Committee.