

- SUBJECT:** Creating additional exemptions from TANF work requirements
- COMMITTEE:** Human Services — committee substitute recommended
- VOTE:** 6 ayes — Naishtat, Chavez, Ehrhardt, Noriega, Raymond, Villarreal
2 nays — J. Davis, Wohlgemuth
1 absent — Telford
- WITNESSES:** For — *Registered but did not testify:* Patrick Bresette, Center for Public Policy Priorities; Pat Cole, National Training Center on Domestic and Sexual Violence; Jennifer Corrigan, Texas Council on Family Violence; Leslie Hernandez, National Association of Social Workers - Texas
Against — None
- 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 recognize only one work exemption from the TANF work-participation requirement for single parents with children less than a year old and one temporary exemption for parents with children under age six who cannot find child care. Human Resources Code, sec. 31.012 provides exemptions from TANF work-participation requirements for:
- ! the caretaker of a child who is mentally or physically disabled;
 - ! the caretaker of a child until the youngest child at the time of application turns one year old; and

- ! a person who meets criteria for good-cause noncompliance established by the Texas Department of Human Services (DHS).

Human Resources Code, sec. 31.0065 establishes exemptions from the time limits for TANF benefits. These include DHS rules for severe personal hardship, community economic factors, and the state's inability to provide support services. Because the "clock" for benefits does not start until a person is determined to be subject to work-participation requirements, the time-limit exemption also applies to the above groups. According to the interim report of the House Human Services Committee, the state provides about 18 exemptions to the time limit.

DIGEST:

CSHB 1006 would retain five exemptions from the mandatory work-participation requirements for TANF recipients. People in the following groups would be eligible for an exemption:

- ! adults over age 60;
- ! caretakers of children or adults with a mental or physical disability;
- ! people who are permanently disabled or are incapacitated for longer than 180 days and cannot work, as confirmed by a physician's statement;
- ! pregnant women whose pregnancy makes them unable to work; and
- ! a caretaker of a child until the youngest child at the time of application turned one year old.

DHS could establish rules for good-cause noncompliance, which could include temporary illness; incarceration; lack of transportation, child care, or other necessary support; an employment referral resulting in an offer of employment that would pay less than the minimum wage; a commute of more than two hours round-trip; and family crisis. The rules also could establish a partial exemption for a caretaker of a child under age six, requiring such a recipient to work only 20 hours per week. Custodial parents who had not completed high school and members of a two-parent household in which one member could provide child care would not be eligible for the partial exemption. The bill would define "work" to include self-employment.

CSHB 1006 would direct the Texas Workforce Commission (TWC) and local workforce development boards to develop plans to provide outreach services to people who were exempt from the work requirements, including

support services and information and referral. TWC and local workforce development boards also would have to work with a person with a good-cause exemption to remedy the conditions that constituted good cause.

The bill would direct each local workforce development board to prepare information about available resources for people exempt from the work requirements and a plan to serve those populations. The boards also would have to provide TWC with information about the additional resources and policies needed to serve these populations. TWC would have to use this information to prepare an evaluation to be submitted to the Legislature by December 1, 2003.

CSHB 1006 would direct DHS to seek any necessary federal waivers or authorizations needed to implement the bill's provisions. DHS could delay implementation until the federal waivers or authorizations were granted.

This bill would take effect September 1, 2001, and would apply to all people receiving financial assistance, regardless of when eligibility was determined.

**SUPPORTERS
SAY:**

CSHB 1006 would tailor the TANF program to Texas' particular needs. As part of a package of TANF-related legislation that includes HB 1004 and HB 1005 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 offer fewer exemptions. Fewer exemptions would not be appropriate for Texas now because TWC and the local development boards do not have the support services in place to promote success.

The exemptions that CSHB 1006 would create are fair and appropriate within the goal of helping as many Texans as possible achieve self-sufficiency. Some populations are unlikely to attain full self-sufficiency, either because of a temporary circumstance such as care for a young child or a temporary illness, or a permanent circumstance such as advanced age or disability. Texas needs a program that is flexible enough to encourage self-sufficiency under circumstances that promote success.

This bill would direct TWC and local development boards to develop plans for how to foster circumstances that promote success. The good-cause exemptions proposed by this bill are not permanent reasons why an individual cannot become self-sufficient but are addressable problems. TWC and the local development boards should address those problems, but they do not have the resources or information to do this. This bill would make it possible to collect the information and ideas that the state will need to promote self-sufficiency in the future.

OPPONENTS
SAY:

Texas already provides too many exemptions from TANF work requirements, and CSHB 1006 would create more. Federal regulations are more stringent, recognizing that the goal is to limit benefits. Texas exempts a significant proportion of recipients, providing no incentive for them to become self-sufficient. This promotes dependence on public assistance, which is bad for recipients and the state.

Exemptions undermine the state's work-first policy by preventing people from participating in an orientation. By making a blanket assumption about these people, the state does not promote self-sufficiency for those who may be able to work. Because these people never have contact with their local workforce boards, they miss out on possible support or other options.

The only deviation from the federal regulations that Texas needs is in two-parent work requirements. The regulations that CSHB 1006 covers should default to the federal regulations.

OTHER
OPPONENTS
SAY:

CSHB 1006 should not create exemptions in excess of the federal regulations but instead should direct TWC and the local development boards to prepare information about barriers to self-sufficiency. The state should encourage people to become self-sufficient by time-limiting benefits, but it also should develop appropriate supports for those efforts.

NOTES:

The committee substitute eliminated a provision of the filed version that would have allowed income to be substituted for hours worked. It also modified the proposed exemption categories and broadened the information that TWC would have to provide to the Legislature in the upcoming interim.

HB 1004 by Naishtat would require TWC to determine by rule the work or employment activities in which a person would have to participate to comply with TANF work requirements. The rules would have to provide for a broad array of permissible activities, including various types of employment or work experience, job training, job search and job readiness assistance, community service, education, provision of child-care services, and other activities. 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. The House Human Services Committee reported both bills favorably as substituted on April 11. HB 1004 has been placed on the General State Calendar for May 1.