

SUBJECT: Extending separate TANF work requirements for two-parent families

COMMITTEE: Human Services — committee substitute recommended

VOTE: 8 ayes — Uresti, Naishtat, Christian, McCall, Miller, Olivo, Reyna,
Wohlgemuth

0 nays

1 absent — Villarreal

WITNESSES: For — *(Registered but did not testify:)* Patrick Bresette, Center for Public
Policy Priorities; Miryan Bujanda, Methodist Health Care Ministries

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.

Federal legislation authorized TANF through September 1, 2003. Congress has extended funding on a temporary basis but is expected to reauthorize the entire program this year. In February 2003, the U.S. House of Representatives passed H.R. 4, which would reauthorize the TANF block grant at current funding levels and would increase funding for the Child Care and Development Fund. The bill also would impose stricter work requirements; mandate full-family sanctions, under which families would lose benefits if they did not comply with work participation requirements; and give states more flexibility in administering programs for low-income families.

Texas must meet certain work participation rates (i.e., percentages of different TANF populations working in approved work activities). The work participation requirement for the whole TANF population is 50 percent, meaning that half of the individuals who receive TANF and are not exempt

from work requirements must be involved in an approved work activity. The work requirement is higher for two-parent families at 90 percent, and in these families both parents must work 35 hours each.

In 2001, the 77th Legislature enacted HB 1005 by Naishtat, which created a separate state program for two-parent families and people residing in areas of the state with few services, removing them from federal work participation requirements and allowing the state to set its own.

This temporary program delivers financial assistance and related support services defined through federal regulation, but it is funded with state maintenance of effort (MOE) funds. Eligibility, work requirements, exemptions, time limits, and the scope of related support services are set by rules established by an interagency workforce composed of representatives from the Health and Human Services Commission, the Texas Department of Human Services (DHS), and the Texas Workforce Commission. Individuals in this program are eligible for Medicaid in the same manner as TANF recipients. This program expires September 2, 2003.

DIGEST:

CSHB 2970 would repeal the expiration date on the separate state TANF program for two-parent families and people residing in minimum service areas. However, if federal legislation were enacted that made the work participation requirements for two-parent families the same as those for one-parent families, the bill would permit DHS to collapse the separate program for two-parent families into the general program in a manner that would not disrupt recipients' benefits.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS
SAY:**

Texas should not let this program expire, but continue serving two-parent families and people in minimum service areas separately. The separate state program allows Texas to set its own work participation requirements for these populations.

The separate state program for two-parent families helps local workforce boards serve their clientele better. Most two-parent families on TANF face

significant barriers to full compliance with TANF work requirements, including more stringent policies about the number of hours worked. Though these families are a small percentage of the overall TANF rolls, local workforce boards must spend a disproportionate amount of time and resources to help them approach compliance with work requirements. When two-parent families are held to the same work participation requirements as single parent families, local workforce development boards can help all families better.

The federal requirements for two-parent families might be set at the same compliance rate as for single-parent families when Congress reauthorizes TANF. CSHB 2970 would permit Texas to combine the two populations if that happened because workforce boards would be under the same constraints they are today. Texas should not let the separate state program expire September 2, 2003, however, even if it looks like the federal regulations will become equal under the reauthorization because it might not be enacted at the federal level until later in the year. The time between the expiration of the separate state program and the new federal regulations would cause local workforce development boards to waste resources scrambling to meet standards that only would be in force for a few months.

The second challenging population comprises individuals living in minimum service areas. These areas often are rural with few workforce support services and employment opportunities. While some workforce boards might be in the process of establishing services in some of these areas, the services might come too late to benefit TANF recipients who have been on the rolls for some time. Because these individuals receive assistance through the separate state program, the federal “clock” on TANF benefits stops until the local workforce development board has sufficient services available to meet their needs.

Texas is not the only state that has chosen to create a separate program for certain populations. Twenty-six other states have created separate state programs for specific populations, 15 of which were for two-parent families. The option to create a separate state program is provided by the federal government to ensure that workforce development programs can be tailored to the different challenges and assets of each state.

**OPPONENTS
SAY:**

By keeping the separate state program in effect, this bill gives up on Texas' most challenging populations because they would remain exempt from federal work requirement rates. With enough effort at the workforce development board level, Texas' two-parent families and populations living in minimum service areas could meet federal work participation requirements— and should.

Two-parent families and individuals residing in minimum services areas are difficult populations to serve, but the state should not lower its expectations because of that. Texas should work harder to develop an environment that encourages individuals to work and become self-sufficient, rather than making them indefinitely dependent on cash assistance. Also, the state has no incentive to invest in minimum service areas. With a separate state program, Texas can indefinitely freeze development in rural areas because people there do not count against the state's workforce participation requirements. Even if federal regulations address the two-parent family issue, there is no guarantee that they also will exempt minimum service areas.

Two-parent families should be in the same program as those with a single-parent. Families need parents who work, not parents who receive public assistance. Local boards should do whatever it takes to help these families find work and stay employed, not decide that they use too much time and too many resources to help. The state should have every incentive to make families self-sufficient.

This bill would cost the state a significant amount of general revenue in the form of additional benefits. Participants in the separate state program are eligible for Medicaid so long as they participate in the program. Because the program has less stringent time limits, it prolongs eligibility for Medicaid.

NOTES:

The committee substitute differs from the bill as introduced by not requiring the federal work exemptions for two-parent families to be identical to those for one-parent families in order for DHS to collapse the program.