

## **BILL ANALYSIS**

Senate Research Center  
77R8125 CLG-D

H.B. 43  
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Health & Human Services  
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Engrossed

### **DIGEST AND PURPOSE**

The Temporary Assistance for Needy Families (TANF) program is designed to provide temporary cash assistance to poor single-parent and two-parent families with children, as well as support services to transition recipients into the workplace. TANF grants are based upon need and families that receive these grants may also receive food stamps and Medicaid. Currently, certain recipients of TANF benefits receive an earned income disregard for employment. The purpose of an earned income disregard is to allow the families to transition gradually off cash assistance after they have become employed. Presently, the time limit for earned income disregard is four months, after which assistance is terminated. A longer time limit will ease the transition into the workplace and toward self-sufficiency. H.B. 43 extends to six months the time limit for earned income disregard for TANF program recipients.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Department of Human Services in SECTION 1 (Section 31.0038, Human Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 31A, Human Resources Code, by adding Section 31.0038, as follows:

Sec. 31.0038. EARNED INCOME DISREGARDS FOR EMPLOYMENT. (a) Sets forth the purpose of the earned income disregards benefit.

(b) Defines “former recipient of the earned income disregards benefit.”

(c) Prohibits the Department of Human Services (department), if a recipient of financial assistance becomes employed while receiving the assistance, from considering 90 percent of any earned income received by the recipient up to the first six months in which income from employment is received for the purpose of making certain determinations.

(d) Prohibits the department from disregarding under Subsection (c) the earned income of a recipient who left a position of employment voluntarily without good cause while receiving financial assistance or during a specified period, to be determined by department rule, that immediately precedes the date on which the recipient obtained new employment.

(e) Prohibits the department from disregarding under Subsection (c) the earned income of a former recipient of the earned income disregards benefit until the first anniversary of the day after the last date on which the former recipient’s earned income was disregarded under that subsection.

(f) Prohibits the department, during the period the earned income of a recipient is

disregarded by the department under Subsection (c), from exempting the recipient from participating in a work or employment activity under Section 31.012.

(g) Sets forth certain requirements for the department in adopting rules under this section.

SECTION 2. Repealer: Section 31.043, Human Resources Code.

SECTION 3. Requires the department, if a state agency determines before implementing any provision of this Act that a waiver or other authorization from a federal agency is necessary for implementation, to request the waiver or authorization and authorizes a delay in implementing that provision until the waiver or authorization is granted.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2001.