

BILL ANALYSIS

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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Recent changes to the federal Temporary Assistance for Needy Families (TANF) block grant have placed increased pressure on states since they are at risk of financial repercussions if they do not reduce their welfare caseloads and increase the number of families participating in work activities. To receive TANF funds, states are required to meet federal work participation rates and certain reporting requirements. Welfare recipients are allowed a lifetime limit of 60 months of cash assistance; are required to work; and are required to adhere to program rules. However, states are allowed great flexibility in designing their cash assistance programs.

As proposed, S.B. 1861 creates a work support program to provide post-employment assistance to families who have left TANF for work, so that these individuals can be supported in their efforts to remain independent from welfare. Under this program, families would continue to receive assistance for up to six months after finding employment to help them become self-sufficient, reduce recidivism, and decrease future costs of cash assistance. In addition, the program helps Texas meet the federal work requirements by keeping working families in the calculation of the work participation rate for an additional six months.

The bill also establishes a solely state-funded program to assist families with serious barriers to employment. Using only state dollars to serve these families would allow the state to continue to assist these vulnerable families, without having to include them in the work participation rate. It would also enable the Health and Human Services Commission (HHSC) to offer these families specialized employment services that are not federally approved work activities.

In addition, the bill requires HHSC to develop a pre-sanction review process to ensure that sanctions are applied fairly. It further requires HHSC to develop post-sanction procedures to determine why families are not meeting program requirements and increase compliance among families that have been sanctioned. These policy changes will increase Texas' work participation rate by increasing the number of families complying with the work requirement. The bill also requires HHSC to track the number of requests made from clients for a "good cause" exemption from program rules and the number of times such requests are granted. The data will assist in assessing the effectiveness of these policies.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 3 (Section 31.00322, Human Resources Code), SECTION 6 (Section 31.092, Human Resources Code), and SECTION 9 (Section 34.003, Human Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 31, Human Resources Code, by adding Section 31.0011, as follows:

Sec. 31.0011. GENERAL DEFINITIONS. Defines "commission" and "executive commissioner."

SECTION 2. Amends Sections 31.0032(a) and (c), Human Resources Code, as follows:

(a) Requires the Health and Human Services Commission (HHSC), rather than Texas Department of Human Services (DHS), if after conducting an investigation HHSC or the Title IV-D agency determines that a person is not cooperating with a requirement of the responsibility agreement required under Section 31.0031, to conduct a pre-sanction review under Section 31.00321, to determine whether the person had good cause for failing to cooperate with the agreement. Requires HHSC, if it determines the person did not have good cause for failing to cooperate with the agreement, to immediately apply a sanction terminating the total amount of financial assistance provided under this chapter to or for the person and the person's family.

(c) Prohibits HHSC or any health and human services agency, as defined by Section 531.001, Government Code, from denying medical assistance for a person who is eligible for financial assistance but to whom that assistance is not paid because of the person's failure to cooperate. Deletes existing text prohibiting medical assistance from being denied to a person receiving assistance under this chapter who is under the age of 19, a pregnant adult, or any other person who may not be denied medical assistance under federal law.

SECTION 3. Amends Subchapter A, Chapter 31, Human Resources Code, by adding Sections 31.00321 and 31.00322, as follows:

Sec. 31.00321. PRE-SANCTION REVIEW PROCESS. (a) Requires HHSC to develop and implement a pre-sanction review process to be used before HHSC or the Title IV-D agency applies a sanction terminating financial assistance under Section 31.0032. Requires the process to require HHSC to make a good faith effort to contact the person determined to have failed to cooperate with a requirement of the responsibility agreement to determine whether that person had good cause, as determined using the criteria under Section 31.0033(d), for failing to cooperate with the requirement; ensure that the person understands the reason a sanction is being applied and the steps the person must take to remove the sanctions; and document, on a form prescribed by the executive commissioner, that the actions required under Subdivisions (1) and (2) were taken by HHSC before any sanction is applied.

(b) Prohibits HHSC from terminating financial assistance under Section 31.0032, if HHSC determines under Subsection (a)(1) that a person had good cause for failing to cooperate.

(c) Requires the HHSC to develop and regularly provide training for HHSC employees on the pre-sanction review process, including the method and criteria employees are required to use for determining whether a person had good cause for failing to cooperate with a requirement of the responsibility agreement.

(d) Prohibits HHSC from sanctioning a person or a person's family under Section 31.0032 unless HHSC has conducted the pre-sanction review process required under this section.

Sec. 31.00322. PROGRAM TO ASSIST SANCTIONED PERSONS. (a) Requires HHSC, with the assistance of the Texas Workforce Commission and representatives of local workforce development boards, to develop and implement a program to assist persons with respect to whom a sanction is applied under Section 31.0032. Requires the program to assist those persons with taking the necessary action to demonstrate cooperation with the requirements of the responsibility agreement for purposes of removing the sanction and restoring financial assistance.

(b) Requires the executive commissioner of HHSC (commissioner) to adopt rules necessary to implement the program developed under this section.

SECTION 4. Amends Section 31.0033(a), Human Resources Code, as follows:

(a) Authorizes a person who receives financial assistance to request a hearing as provided under this subsection not later than the 13th day after the date the notice of the imposition

of a sanction is received, rather than a notice is sent under Section 31.0032. Makes conforming changes.

SECTION 5. Amends Section 31.0034, Human Resources Code, as follows:

Sec. 31.0034. ANNUAL REPORT. Requires that the statistical information required to be included in the report submitted by HHSC to the legislature include certain additional information. Makes a conforming change.

SECTION 6. Amends Chapter 31, Human Resources Code, by adding Subchapter E, as follows:

SUBCHAPTER E. WORK SUPPORT PROGRAM FOR CERTAIN ELIGIBLE PERSONS

Sec. 31.091. DEFINITIONS. Defines "assistance" and "program."

Sec. 31.092. WORK SUPPORT PROGRAM. (a) Requires HHSC to develop and implement a program designed to provide assistance for a period of six months to eligible persons who are former recipients of financial assistance under this chapter and who are making the transition to self-sufficiency. Requires HHSC to determine the amount and type of assistance to provide under the program.

(b) Requires the executive commissioner to adopt rules as necessary to implement the program developed under this subchapter.

Sec. 31.093. ELIGIBILITY; PARTICIPATION. (a) Sets forth the eligibility requirements for participation in the program.

(b) Requires HHSC to automatically enroll a person who is eligible under Subsection (a)(1) in the program on the first day of the month immediately following the month in which the person's earned income disregard expires.

Sec. 31.094. TIME LIMITS NOT AFFECTED. Prohibits the time during which a person participates in the program from being counted towards time limits specified by Section 31.065, except as provided by federal law.

Sec. 31.095. FUNDING. Requires the program implemented by this chapter to be funded using federal Temporary Assistance for Needy Families and state maintenance of effort funds.

SECTION 7. Amends the heading to Section 34.002, Human Resources Code, to read as follows:

Sec. 34.002. DEVELOPMENT AND IMPLEMENTATION OF STATE PROGRAM FOR CERTAIN PERSONS WITH BARRIERS TO EMPLOYMENT; FUNDING.

SECTION 8. Amends Section 34.002, Human Resources Code, by amending Subsections (a), (b), and (c) and adding Subsection (d-1), as follows:

(a) Deletes existing text as it relates to the DHS, the Texas Workforce Commission, and local workforce development boards working jointly with HHSC. Requires HHSC to develop and implement a state program of temporary assistance and related support services that is distinct from the financial assistance program authorized by Chapter 31 and that is designed to assist eligible persons with overcoming certain barriers to employment.

(b) Authorizes temporary assistance and related support services to be provided under the state program only to a person who would be eligible to receive financial assistance under Chapter 31 but who faces at least one of certain barriers to employment.

(c) Prohibits the temporary assistance and related support services to be funded with money included as state maintenance of effort money for the financial assistance program authorized by Chapter 31.

(d-1) Provides that a person who would not be included in the state's work participation rate under federal law if the person were a recipient of financial assistance under chapter 31 is not eligible for the state program.

SECTION 9. Amends Section 34.003(a), Human Resources Code, as follows:

(a) Requires the executive commissioner to adopt rules as necessary for the implementation of the state program, including rules regarding eligibility, work, requirements, work exemptions, time limits, and related support services, subject to the requirements specified by this chapter.

SECTION 10. Repealer: Sections 34.002(d)(relating to authorizing DHS to take certain action, if federal law is enacted that imposes work participation rate requirements on two-parent families for purposes of the financial assistance program under Chapter 31 that are substantially identical to those that federal law imposes on one-parent families for the purpose of the program), 34.003(c) (requiring the HHSC, DHS, and the Texas Workforce Commission to form an interagency work group to develop the rules required under this section), 34.004 (Procedures Applicable to Persons Residing in Minimum Service Counties), 34.005 (Eligibility for Medical Assistance), 34.006 (Study), and 34.007 (Report), Human Resources Code.

SECTION 11. Authorizes a state agency to delay implementing a provision of this Act until a requested federal waiver or authorization necessary to implement that provision is obtained.

SECTION 12. Effective date: September 1, 2007.