

BILL ANALYSIS

C.S.H.B. 2636

By: Castro

Technology, Economic Development & Workforce
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Child support payments are important to the well-being of children with divorced parents and are key to raising children out of poverty and reducing state costs associated with child poverty. In 2007, while Texas surpassed all other states in child support collections, Texas had the second highest amount of unpaid child support in the nation. Many willing noncustodial parents who are behind on their child support payments are unable to contribute to the support of their children because of unemployment.

The child support division within the office of the attorney general runs the child support enforcement program that enforces, collects, and distributes child support money owed by noncustodial parents. If a noncustodial parent falls behind on child support payments, the division uses a range of methods to collect payment, the most severe of which is incarceration for up to 180 days. In an attempt to assist noncustodial parents who are unable to pay their child support payments due to unemployment, the child support division partnered with the Texas Workforce Commission (TWC) in 2005 to create the noncustodial parent choices pilot program, an employment service and child support enforcement program for low-income, noncustodial parents. Modeled after TWC's choices program for parents receiving public assistance from the Temporary Assistance for Needy Families program (TANF), the goal of the program is to help noncustodial parents, mostly fathers, gain employment in order to pay child support. Participants of the program receive one-on-one help with employment retention support and services, job searching, and job readiness. By offering these services linked to compliance monitoring and reporting, NCP Choices adds a third option to the "pay up or go to jail" child support enforcement approach.

The program has created a number of cost savings for the state including reducing unemployment insurance benefit claims made by noncustodial parents, decreasing custodial parents' use of TANF by 17 percent, and increasing child support payments by 51 percent. As of February of 2009, the attorney general had collected \$10 million for the 3,400 noncustodial parents in the program, approximately \$3.4 million more than would have been collected without the program. Furthermore, the program participants had, on average, not paid any child support in the 8 months prior to being ordered into the program, and paid, on average, \$176 per month after program participation. 87 percent of obligors who entered the program received employment within 8 weeks and 61 percent retained employment for at least 6 months. By increasing the ability of low-income, noncustodial parents to pay child support, this program has proven to be an effective tool to build family self-sufficiency and improve child well-being.

Currently, the noncustodial parent choices program is funded by TANF employment services funds appropriated to TWC. The program requires funding to cover the employment services provided by the local workforce centers. TWC spent \$2 million on program employment services in fiscal year 2005-2008, but program employment services cost almost 50 percent less than the services provided to TANF recipients in the TWC choices program. Expanding the current program to make employment services available in all 28 workforce board areas and 62 child support offices statewide is an effective and fiscally responsible strategy for dealing with both employment and child support issues.

C.S.H.B. 2636 requires the Texas Workforce Commission and the office of the attorney general as the Title IV-D agency to develop and administer a statewide employment services program to provide certain child support obligors with assistance in obtaining employment so that the obligors may satisfy child support obligations.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission and the Title IV-D agency in SECTIONS 1 and 2 of this bill.

ANALYSIS

C.S.H.B. 2636 amends the Labor Code to require the Texas Workforce Commission (TWC) and the office of the attorney general to jointly develop and administer a statewide employment services program to provide an eligible child support obligor with assistance in obtaining employment so that the obligor may satisfy child support obligations. The bill requires the program to provide services similar to the services provided to a recipient or nonrecipient parent under the Temporary Assistance for Needy Families (TANF) program and direct an eligible obligor, in appropriate cases, to a local workforce development board for skills assessment, job training, job placement, and job monitoring. The bill authorizes the referral of an eligible obligor to employment services to be made in conjunction with a referral made by the office of the attorney general to state and local entities that provide employment services for an obligor who is in arrears in court-ordered child support payments.

C.S.H.B. 2636 establishes eligibility requirements for the program to require an obligor to be a parent of a current or a former recipient of financial assistance under TANF or medical assistance under the Medicaid program and be unable to satisfy the child support obligation as a result of the person's unemployment or underemployment.

C.S.H.B. 2636 authorizes the office of the attorney general, on a determination that an obligor in a child support case who is eligible to participate in the statewide employment services program is delinquent in paying child support obligations, to request a court of competent jurisdiction with respect to a child for which support is ordered to render an order that requires the obligor to participate in the statewide employment services program. The bill requires TWC, if the court orders participation, to direct the obligor to an appropriate workforce development board for skills assessment, job training, job placement, and job monitoring and to monitor the person's participation in any required program activities. The bill requires an obligor to be reported to the office of the attorney general for the imposition of any penalty authorized by other law if the obligor fails to participate in the program as required by a court order.

C.S.H.B. 2636 authorizes TWC to allocate any money available to TWC through the federal TANF block grant for the development, implementation, and administration of the statewide employment services program. The bill authorizes TWC to use any other federal or state funds available for those purposes. The bill requires TWC, in collaboration with the office of the attorney general, to adopt rules as necessary for the administration of the program, including rules for identifying eligible child support obligors and directing those obligors to the services provided by the program and prescribing the job monitoring and reporting requirements under the program. The bill defines "nonrecipient parent," "obligor," "Title IV-D agency," and "Title IV-D case."

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2636 differs from the original by requiring the eligible obligor to participate in the employer services program similar to those under the Temporary Assistance for Needy Families program, rather than offering obligors such services. The substitute differs from the original by requiring the program to direct, rather than refer, an obligor to a workforce development board for services and adds job monitoring to the list of services for which the obligor is to be directed. The substitute differs from the original by authorizing, rather than requiring, the attorney general to request a court to render an order requiring an obligor to participate in the program and by clarifying that the court be a court of competent jurisdiction rather than a court exercising continuing jurisdiction with respect to a child for which support is ordered. The substitute differs

from the original by requiring an obligor to be reported to the attorney general for the imposition of a penalty, rather than requiring the obligor to be referred to the attorney general as in the original.

C.S.H.B. 2636 adds a provision not included in the original authorizing the Texas Workforce Commission (TWC) to use any other federal or state funds available for the development, implementation, and administration of the program established by the substitute. The substitute adds a requirement not included in the original that rules required to be adopted by TWC include rules prescribing job monitoring and reporting requirements under the program.

C.S.H.B. 2636 differs from the original by making nonsubstantive and conforming changes not included in the original.