

## **BILL ANALYSIS**

Senate Research Center

H.B. 1483  
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Finance  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

#### Background:

Anti-poverty and work support programs should assist participants in moving out of poverty. Too often, however, they restrict economic mobility and financial stability. Work programs should assist in covering the costs of food, medical care, childcare, and living expenses for families, until these families can cover these expenses on their own through income-earning employment. Current programs, though well-meaning, often incentivize recipients turning down higher-paying jobs because the increased income would disqualify them from benefits that they still need to meet immediate and necessary expenses. Thus, recipients remain in public benefit programs long-term because of this gap.

#### Purpose:

H.B. 1483 would institute a pilot program to allow an incremental reduction of benefits, coupled with intensive case management services and accountability, in order to help recipients securing a living wage job, an emergency savings account, stable housing and a debt-management plan to achieve long-term self-sufficiency and independence from public benefits. The pilot will also include an external program evaluation.

#### Details:

This pilot will serve up to 500 recipients of Temporary Assistance to Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) for 24 to 60 months. Participants will move through four stages of services including crisis alleviation, stabilization, preparation for transition, and self-sufficiency. An eligible participant must:

- receive TANF or SNAP benefits;
- have a total household income that is less than a living wage based on the recipient's family makeup and geographical area of residence;
- fall between the ages of 18 to 62; and
- be willing, physically able, and legally able to be employed.

The key components of the pilot program include:

- intensive case management services that focus on connecting a participant to community resources and partners, strategic financial assistance, and addressing crises like housing, transportation, or childcare;
- assistance with securing living-wage employment, reducing debt, and building savings; and
- achieving self-sufficiency without any reliance on public benefits.

H.B. 1483 ultimately aims to re-align current public benefits support program funding in a way that can address the unique needs of participants in order to prepare them to sustain independence from benefits programs as well as help give them the tools to achieve true economic mobility.

H.B. 1483 amends current law relating to a pilot program for assisting certain recipients of public benefits to gain permanent self-sufficiency.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission and to the Texas Workforce Commission in SECTION 1 (Section 531.02241, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.02241, as follows:

Sec. 531.02241. PILOT PROGRAM FOR SELF-SUFFICIENCY OF CERTAIN PERSONS RECEIVING FINANCIAL ASSISTANCE OR SUPPLEMENTAL NUTRITION ASSISTANCE BENEFITS. (a) Defines "financial assistance benefits," "self-sufficiency," "slow reduction scale," "sufficient wage," and "supplemental nutrition assistance benefits" for purposes of this section.

(b) Requires the Health and Human Services Commission (HHSC) to develop and implement a pilot program for assisting not more than 500 eligible families to gain permanent self-sufficiency and no longer require financial assistance, supplemental nutrition assistance, or other means-tested public benefits, notwithstanding the limitations and requirements of Section 31.043 (Fill-the-Gap Budgeting), Human Resources Code. Authorizes the number of families that is authorized to be served under the program in the following year, if the number of families participating in the program during a year reaches capacity for that year as determined by HHSC, to be increased by 20 percent.

(c) Provides that the pilot program will test extending, for at least 24 months but not more than 60 months, financial assistance and supplemental nutrition assistance benefits by waiving the application of income and asset limit eligibility requirements for those benefits and the time limits under Section 31.0065 (Time-Limited Benefits), Human Resources Code, for financial assistance benefits to allow for continuation of financial assistance and supplemental nutrition assistance benefits and reduction of the benefits using a slow reduction scale. Requires HHSC to freeze a participating family's eligibility status for the benefits beginning on the date the participating family enters the pilot program and ending on the date the family ceases participating in the program. Requires the waiver of the application of any asset limit requirement to allow the family to have assets in an amount that is at least \$1,000 per member of the family's household.

(d) Requires the pilot program to be designed to allow social services providers, public benefit offices, and other community partners to refer potential participating families to the program.

(e) Provides that a family is eligible to participate in the pilot program established under this section if the family:

(1) includes one or more members who are recipients of financial assistance or supplemental nutrition assistance benefits, at least one of whom is:

(A) at least 18 but not more than 62 years of age; and

(B) willing, and physically and legally able, to be employed; and

(2) has a total household income that is less than a sufficient wage based on the family's makeup and geographical area of residence.

(f) Requires the pilot program to be designed to assist eligible participating families in attaining self-sufficiency by:

(1) identifying eligibility requirements for the continuation of financial assistance or supplemental nutrition assistance benefits and time limits for the benefits, the application of which is authorized to be waived for a limited period and that, if applied, would impede self-sufficiency;

(2) implementing strategies, including waiving the application of the eligibility requirements and time limits identified in Subdivision (1), to remove barriers to self-sufficiency; and

(3) moving eligible participating families through progressive stages toward self-sufficiency that include the following phases:

(A) an initial phase in which a family moves out of an emergent crisis by securing housing, medical care, and financial assistance and supplemental nutrition assistance benefits, as necessary;

(B) a second phase in which:

(i) the family moves toward stability by securing employment and, if necessary, child care and by participating in services that build the financial management skills necessary to meet financial goals; and

(ii) the family's financial assistance and supplemental nutrition assistance benefits are reduced according to the following scale:

(a) on reaching 25 percent of the family's sufficient wage, the amount of benefits is reduced by 10 percent;

(b) on reaching 50 percent of the family's sufficient wage, the amount of benefits is reduced by 25 percent; and

(c) on reaching 75 percent of the family's sufficient wage, the amount of benefits is reduced by 50 percent;

(C) a third phase in which the family:

(i) transitions to self-sufficiency by securing employment that pays a sufficient wage, reducing debt, and building savings; and

(ii) becomes ineligible for financial assistance and supplemental nutrition assistance benefits on reaching 100 percent of the family's sufficient wage; and

(D) a final phase in which the family attains self-sufficiency by retaining employment that pays a sufficient wage, amassing at least \$1,000 per

member of the family's household, and having manageable debt so that the family will no longer be dependent on financial assistance, supplemental nutrition assistance, or other means-tested public benefits for at least six months following the date the family stops participating in the program.

(g) Requires a person from a family that wishes to participate in the pilot program to attend an in-person intake meeting with a program case manager. Provides that during the intake meeting the case manager is required to:

(1) determine whether:

(A) the person's family meets the eligibility requirements under Subsection (e); and

(B) the application of income or asset limit eligibility requirements for continuation of financial assistance and supplemental nutrition assistance benefits and the time limits under Section 31.0065, Human Resources Code, for financial assistance benefits is authorized to be waived under the program;

(2) review the family's demographic information and household financial budget;

(3) assess the family members' current financial and career situations;

(4) collaborate with the person to develop and implement strategies for removing barriers to the family attaining self-sufficiency, including waiving the application of income and asset limit eligibility requirements and time limits described by Subdivision (1)(B) to allow for continuation of financial assistance and supplemental nutrition assistance benefits; and

(5) if the person's family is determined to be eligible for and chooses to participate in the program, schedule a follow-up meeting to further assess the family's crisis, review available referral services, and create a service plan.

(h) Requires a participating family to be assigned a program case manager who is required to:

(1) if the family is determined to be eligible, provide the family with a verification of the waived application of asset, income, and time limits described by Subsection (c), allowing the family to continue receiving financial assistance and supplemental nutrition assistance benefits on a slow reduction scale;

(2) assess, at the follow-up meeting scheduled under Subsection (g)(5), the family's crisis, review available referral services, and create a service plan; and

(3) during the initial phase of the program, create medium- and long-term goals consistent with the strategies developed under Subsection (g)(4).

(i) Requires the pilot program to provide each participating family placed in the research group described by Subsection (j)(3)(C) with holistic, wraparound case management services that meet all applicable program requirements under 7 C.F.R. Section 273.7(e) or 45 C.F.R. Section 261.10, as applicable. Requires case management services provided under this subsection to include the strategic use of financial assistance and supplemental nutrition assistance benefits to ensure that the goals included in the family's service plan are achieved. Requires the

wraparound case management services to be provided through a community-based provider.

(j) Requires the pilot program to operate for at least 24 months. Requires the program to also include 16 additional months for:

(1) planning and designing the program before the program begins operation;

(2) recruiting eligible families to participate in the program;

(3) randomly placing each participating family in one of at least three research groups, including:

(A) a control group;

(B) a group consisting of families for whom the application of income, asset, and time limits described by Subsection (c) is waived; and

(C) a group consisting of families for whom the application of income, asset, and time limits described by Subsection (c) is waived and who receive wraparound case management services under the program; and

(4) after the program begins operation, collecting and sharing data that allows for:

(A) obtaining participating families' eligibility and identification data before a family is randomly placed in a research group under Subdivision (3);

(B) conducting surveys or interviews of participating families to obtain information that is not contained in records related to a family's eligibility for financial assistance, supplemental nutrition assistance, or other means-tested public benefits;

(C) providing quarterly reports for not more than 60 months after a participating family is enrolled in the pilot program regarding the program's effect on the family's labor market participation and income and need for means-tested public benefits;

(D) assessing the interaction of the program's components with the desired outcomes of the program using data collected during the program and data obtained from state agencies concerning means-tested public benefits; and

(E) a third party to conduct a rigorous experimental impact evaluation of the pilot program.

(k) Requires HHSC to develop and implement the pilot program with the assistance of the Texas Workforce Commission (TWC), local workforce development boards, faith-based and other relevant public or private organizations, and any other entity or person HHSC determines appropriate.

(l) Requires HHSC to monitor and evaluate the pilot program in a manner that allows for promoting research-informed results of the program.

(m) Requires HHSC, on the conclusion of the pilot program but not later than 48 months following the date the last participating family is enrolled in the program,

to report to the legislature on the results of the program. Requires the report to include:

(1) an evaluation of the program's effect on participating families in achieving self-sufficiency and no longer requiring means-tested public benefits;

(2) the impact to this state on the costs of the financial assistance and supplemental nutrition assistance programs and of the child-care services program operated by TWC;

(3) a cost-benefit analysis of the program; and

(4) recommendations on the feasibility and continuation of the program.

(n) Requires HHSC, during the operation of the pilot program, to provide to the legislature additional reports concerning the program that HHSC determines to be appropriate.

(o) Authorizes the executive commissioner of HHSC and TWC to adopt rules to implement this section.

(p) Provides that this section expires September 1, 2026.

SECTION 2. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 3. Effective date: upon passage or September 1, 2019.