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SECTION 1. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02241 to read as follows:

Sec. 531.02241. PILOT PROGRAM FOR SELF-SUFFICIENCY OF CERTAIN PERSONS RECEIVING FINANCIAL ASSISTANCE OR SUPPLEMENTAL NUTRITION ASSISTANCE BENEFITS. (a) In this section:

- (1) "Financial assistance benefits" means money payments under the federal Temporary Assistance for Needy Families program operated under Chapter 31, Human Resources Code, or under the state temporary assistance and support services program operated under Chapter 34, Human Resources Code.
- (2) "Self-sufficiency" means being employed in a position that pays a sufficient wage, having financial savings in an amount that is equal to at least \$1,000 per member of a family's household, and maintaining a debt-to-income ratio that does not exceed 43 percent.
- (3) "Slow reduction scale" means a graduated plan for reducing financial assistance or supplemental nutrition assistance benefits that correlates with a phase of the pilot program's progressive stages toward self-sufficiency.
- (4) "Sufficient wage" means an amount of money, determined by a market-based calculation that uses geographically specific expenditure data, that is sufficient to meet a family's minimum necessary spending on basic needs, including food, child care, health insurance, housing, and transportation.
- (5) "Supplemental nutrition assistance benefits" means money payments under the supplemental nutrition assistance

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program operated under Chapter 33, Human Resources Code.

- (b) The commission shall 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, Human Resources Code. If the number of families participating in the program during a year reaches capacity for that year as determined by the commission, the number of families that may be served under the program in the following year may be increased by 20 percent.
- (c) 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, 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. The commission shall 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. The waiver of the application of any asset limit requirement must allow the family to have assets in an amount that is at least \$1,000 per member of the family's household.
- (d) The pilot program must be designed to allow social services providers, public benefit offices, and other

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community partners to refer potential participating families to the program.

- (e) 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) The pilot program must 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 may 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:

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- (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) A person from a family that wishes to participate in the pilot program must attend an in-person intake meeting with a program case manager. During the intake meeting the case manager shall:

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(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 may 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) A participating family must be assigned a program case manager who shall:
- (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;

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- (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 mediumand long-term goals consistent with the strategies developed under Subsection (g)(4).
- (i) The pilot program must 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. Case management services provided under this subsection must 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. The wraparound case management services must be provided through a community-based provider.
- (j) The pilot program must operate for at least 24 months. The program shall 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

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- (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) The commission shall develop and implement the pilot program with the assistance of the Texas Workforce Commission, local workforce development boards, faith-based and other relevant public or private organizations, and any other entity or person the commission determines appropriate.
- (1) The commission shall monitor and evaluate the pilot program in a manner that allows for promoting research-informed results of the program.
- (m) On the conclusion of the pilot program but not later than 48 months following the date the last participating family is

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enrolled in the program, the commission shall report to the legislature on the results of the program. The report must 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 the Texas Workforce Commission;
- (3) a cost-benefit analysis of the program; and
- (4) recommendations on the feasibility and continuation of the program.
- (n) During the operation of the pilot program, the commission shall provide to the legislature additional reports concerning the program that the commission determines to be appropriate.
- (o) The executive commissioner and the Texas Workforce Commission may adopt rules to implement this section.
- (p) This section expires September 1, 2026.

No equivalent provision.

SECTION 2. The Health and Human Services Commission is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

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SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3. Same as House version.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.

SECTION 4. Same as House version.

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