

- SUBJECT:** Grandparents serving as payee for dependent grandchildren
- COMMITTEE:** Human Services — committee substitute recommended
- VOTE:** 7 ayes — Naishtat, Chavez, J. Davis, Ehrhardt, Raymond, Villarreal, Wohlgemuth
- 0 nays
- 2 absent — Noriega, Telford
- WITNESSES:** For — *Registered but did not testify:* Mildred Bogle, Sedalia Carey Johnson, and Therathia Smith, Grey Eagles Grandparents and Kinship Organization
- Against — None
- On — Patrick Bresette, Center for Public Policy Priorities; Judy Denton, Texas Department of Human Services
- BACKGROUND:** Human Resources Code, sec. 31.002, defines a “dependent child” as a child under the age of 18 who is a Texas resident, lives with a family member other than the mother, is deprived of parental support, and does not have income or resources.
- DIGEST:** CSHB 2103 would establish a protective payee program. It would define a protective payee as an adult who is interested in the welfare of a child or relative of a child receiving financial assistance and who receives or manages the financial assistance payment for the child.
- The bill would direct the Texas Department of Human Services (DHS) to develop rules under which a grandparent could serve as a protective payee for a child receiving financial assistance. The grandparent also could apply for financial assistance in lieu of the child’s parent. DHS would have to reserve this designation for cases in which the child’s parent was not using the assistance in compliance with regulated uses, such as the purchase of goods that are essential for the welfare of the family, including food or

clothing. DHS also would have to establish rules for removing this designation.

CSHB 2103 would direct DHS to seek any necessary federal waivers or authorization needed to implement this designation. The agency could delay implementation until the federal waivers or authorization were granted.

This bill would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 2103 would give DHS a mechanism to ensure that financial assistance is used appropriately without harm to a child. If a parent misuses financial assistance, DHS' only recourse is to cease providing financial assistance. Taking away those funds, however, hurts the children. Designating a protective payee would enable DHS to provide assistance to the children through a grandparent, ensuring that the money was spent appropriately without depriving the child of much-needed support.

Because grandparents are most often the relatives who take in children in situations like these, and because grandparents often live on fixed incomes, they are the only category of relative that should be included in this designation.

**OPPONENTS
SAY:**

CSHB 2103 would not ensure that financial assistance would go to the child. There is no assurance that the grandparent would act in a more appropriate manner than the parent. Financial assistance to children should be managed through an independent third party, such as a caseworker.

**OTHER
OPPONENTS
SAY:**

CSHB 2103 should allow people other than grandparents to act as protective payees. Aunts, uncles, and other family members could serve in the same capacity, and the broader category of payees could help more children.

NOTES:

The committee substitute would create a protective payee designation rather than establishing presumptive eligibility for individuals who assumed care for a related dependent child, as in the filed version.