

SUBJECT: Hardship exemptions for time limits on public assistance

COMMITTEE: Human Services — committee substitute recommended

VOTE: 8 ayes — Naishtat, Chavez, J. Davis, Ehrhardt, Noriega, Raymond, Villarreal, Wohlgemuth

0 nays

1 absent — Telford

SENATE VOTE: On final passage, March 1 — 30-0

WITNESSES: None

BACKGROUND: In 1995, the 74th Legislature enacted welfare-reform measures that capped benefits by amount and time and instituted responsibility agreements and mandatory work or job training, among other requirements. The federal welfare-reform law in 1996 created Temporary Assistance to Needy Families (TANF) to replace the Aid to Families with Dependent Children, Job Opportunities and Basic Skills, and Emergency Assistance programs. While the federal reforms were similar to Texas' welfare-reform initiatives, the state received a temporary waiver from the federal regulations. The state's waiver expires in January 2002, at which time Texas will have to comply with the federal regulations or develop new state regulations.

Human Resources Code, sec. 31.0065 establishes time limits for benefits based on education and work experience. For a person with education equivalent to a high school diploma or 18 months of recent work experience, benefits are limited to 12 months. A person with three years of high school or six to 18 months' work experience is limited to 24 months of benefits, and a person with less education or work experience is limited to 36 months of benefits. For people in the latter category, the time limit begins after the Department of Human Services (DHS) completes a needs assessment.

DHS may make exceptions to these time limits if severe personal hardship or community economic factors prevent the recipient from obtaining a job or if

the state cannot provide support services. Also, people may reapply for benefits after five years have passed since they became ineligible for further benefits under the time limits.

Under federal law, people who have received assistance for five years are ineligible for further assistance, although states may exempt up to 20 percent of the people on their caseloads from the lifetime limit.

DIGEST:

CSSB 45 would establish hardship exemptions from federal time limits for TANF benefits. It would direct DHS, the Texas Workforce Commission (TWC), and the Health and Human Services Commission (HHSC) to adopt rules defining what constitutes a hardship. The definition would have to include a broad range of circumstances that could prevent self-sufficiency within the federal time limit. The proposed rules would have to be reviewed by the lieutenant governor, the House speaker, and the appropriate standing committees of each house of the Legislature. The responsible agencies would have to consider comments from the Legislature.

The bill would establish a hardship exemption for a person under age 20 without a high school diploma who was in school to obtain a high school diploma or its equivalent. If a person obtained an exemption under this provision but did not earn a high school diploma by age 20, DHS could impose a time limit on benefits of up to three years.

CSSB 45 would direct state agencies to seek any necessary federal waivers or authorizations needed to implement the bill's provisions. The agency could delay implementation until the federal waivers or authorization was granted.

The bill would take effect September 1, 2001, and would apply to people receiving assistance on or after that date, regardless of when they were determined to be eligible.

**SUPPORTERS
SAY:**

CSSB 45 would create a framework for Texas to take advantage of the federal hardship exemption allowance. States may exempt up to 20 percent of their caseloads from the lifetime limit on benefits to account for hardship cases. The definition of a hardship adopted by DHS, TWC, and HHSC under this bill would become the basis for the 20 percent exemption.

The Legislature would retain an advisory role in developing these rules. This arrangement would give health and human services agencies the flexibility to develop rules without direct legislative approval but would allow legislators to help shape the proposed rules.

CSSB 45 would exempt young people from the time limits on benefits while they were still in school. The scheduled expiration of the state's TANF waiver in 2002 has prompted legislation to bring Texas' program more into line with federal regulations to preserve the state's maintenance of effort, the funds that the state must spend to obtain federal TANF funds.

One proposed change would keep high school as an approved work activity for TANF. This would mean that recipients who attended high school would count toward the state's work-participation requirements. However, it also would make these students subject to the time limits on benefits. This could cause high school students to lose their benefits before they had completed high school. This bill would create an exemption for these students to ensure that they could get the assistance they need to stay in school and that the clock would not begin ticking until after graduation.

CSSB 45 would limit the exemption period. High school students would not be allowed to remain in school for lengthy periods to keep their exemptions. If a student had not graduated by age 20, the time limits would begin.

**OPPONENTS
SAY:**

CSSB 45 would make young people more dependent on public assistance by extending the period of time they could be eligible for public assistance. The reason school is an approved work activity for TANF purposes is that school should lead to a person's being able to gain sustainable employment. The state should not support people through school and then support them for the first three years following school. Students in school should receive benefits, but the clock should run out when they finish school, not three years later.

The Legislature should reserve more control over the definition of hardship to exempt people from the federal time limits. CSSB 45 would require the agencies to consider the comments of the Legislature but would not require the agencies to implement them. Like all other areas of TANF exemptions,

including work requirements and work activities, hardship exemptions should be legislated.

NOTES:

The Senate engrossed version of SB 45 addressed only the federal hardship exemption. The committee substitute added the provision that would create the student exemption.