

SUBJECT: Establishing an employment services program for child support obligors

COMMITTEE: Technology, Economic Development and Workforce — committee substitute recommended

VOTE: 7 ayes — Strama, Parker, Button, Eissler, Gattis, Harless, Rodriguez

0 nays

2 absent — F. Brown, Ritter

WITNESSES: For — James Rausch; (*Registered, but did not testify*: Celia Hagert, Center for Public Policy Priorities; Justin Marlin, Texans Care for Children; Susan Payntor, Christian Life Commission, Baptist Convention of Texas; Cindy Segovia, Bexar County Commissioners Court)

Against — None

On — Michael Hayes, Office of Attorney General; Nicole Verver, Texas Workforce Commission

BACKGROUND: Labor Code, title 4, subtitle B outlines provisions for workforce development and employment services activities of the Texas Workforce Commission.

DIGEST: CSHB 2636 would amend Labor Code, title 4, subtitle B to establish a statewide employment services program, to be developed and administered jointly by the Texas Workforce Commission (TWC) and the Office of the Attorney General (OAG), to provide eligible child support obligors assistance in obtaining employment in order to meet their child support obligations.

The program would provide employment services that are similar to services provided to a custodial parent under the Temporary Assistance to Needy Families (TANF) program outlined in Human Resources Code, ch. 31. Additionally, the program would direct eligible obligors, in appropriate cases, to local workforce boards for skills assessment, job training, placement, and monitoring. A referral of an eligible obligor to

employment services could be made in conjunction with a referral by the OAG.

In order to receive employment services under the program, an obligor would have to be the parent of child currently or formerly receiving public financial or medical assistance and unable to satisfy his or her child support obligation as a result of unemployment or underemployment.

When the OAG determines that an obligor in a child support case who was eligible for the program was delinquent in paying child support, OAG could request a court to render an order requiring the obligor to participate in the employment services program. If an obligor was ordered to participate in the program, TWC would direct the obligor to an appropriate workforce development board for skills assessment, job training, placement, and monitoring, and would monitor participation in required program activities. If an obligor failed to participate after receiving a court order, the obligor would be required to report to OAG for the imposition of related penalties.

TWC could allocate for the development, implementation, and administration of the program any money available through federal TANF block grants and could use any other related federal or state funds available.

TWC, in collaboration with OAG, would adopt rules, as soon as practicable after the bill's effective date, for administering the program, including:

- identifying eligible child support obligors and directing them to the program's employment services; and
- prescribing the job monitoring and reporting requirements.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS
SAY:**

CSHB 2636 would expand statewide an existing joint program of the Texas Workforce Commission and the Office of the Attorney General (OAG) that helps unemployed non-custodial parents (NCPs) find work and financially support their children. Due to the success of the program, NCP Choices, it has been expanded from five pilot sites to its current

operation in 14 workforce board areas across the state, serving parents from 39 child support offices. CSHB 2636 would expand this program greatly by using existing federal Temporary Assistance for Needy Families (TANF) funds to help lift families out of poverty and improve child well-being by moving low-income, non-custodial fathers from jail into productive employment.

An independent study of the NCP Choices program found it to be the most successful NCP employment initiative in the country to date, and found that participation in the program increased child support collections by 51 percent. As of February 2009, OAG has collected roughly \$3.4 million in child support as a result of the program than would not have been collected otherwise. The study noted that the non-custodial parents had gone from paying nothing in child support in the eight months prior to program participation to an average of \$176 per month.

Participation in the existing program has been shown to have a ripple effect. Families receiving child support are less likely to rely on TANF, working parents are less likely to file unemployment claims, and their children are more likely to be covered by medical insurance.

**OPPONENTS
SAY:**

While no one would dispute the aims of CSHB 2636 to expand a successful program to increase child support, because the program would use the same pool of TANF funds that support custodial parents and their families, care should be taken to ensure that existing recipients are not penalized unfairly. Additional evaluation should be conducted to ensure that any costs expended on the non-custodial parent program would offset money that custodial parents and their families receive currently.

NOTES:

According to the Legislative Budget Board, the bill would not affect the state's general revenue, but would use roughly \$14.5 million of the Texas Workforce Commission's federal Temporary Assistance to Needy Families (TANF) in the next biennium, and approximately \$8.1 million in following years.

The committee substitute would require, rather than direct, an eligible obligor to participate in the employment services program.