

## **BILL ANALYSIS**

Senate Research Center  
86R4582 KKR-D

S.B. 643  
By: Perry  
Finance  
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As Filed

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

Concerns have been raised that a strict income threshold for determining eligibility for certain public benefits may create a barrier to certain benefit recipients obtaining a job that pays only a slightly better wage than those benefits provide. S.B. 643 seeks to help certain benefit recipients gain permanent self-sufficiency through the development of a pilot program that defers the application of income or asset limit eligibility requirements for continuation of these benefits for a select number of families and instead allows for the continuation using a slow reduction scale.

S.B. 643 requires the Health and Human Services Commission (HHSC) to develop and implement a pilot program for assisting up to 500 eligible families to gain permanent self-sufficiency and no longer require temporary assistance for needy families (TANF) program benefits, supplemental nutrition assistance program (SNAP) benefits, or other means-tested public benefits. S.B. 643 authorizes the number of families that are authorized to be served under the program to be increased by 20 percent for the year following a year during which the number of families participating in the program reaches capacity for that year, as determined by HHSC.

A family is eligible to participate in the program if one or more members who are recipients of TANF or SNAP benefits is between 18 and 62 years of age and willing, and physically and legally able, to be employed and if the family has a total household income that is less than a living wage based on the family's makeup and geographical area of residence.

S.B. 643 requires the program to provide each participating family with holistic, wraparound case management services, including the strategic use of TANF and SNAP benefits, to ensure that goals included in the family's service plan are achieved and sets out related requirements for a participating family's program case manager.

S.B. 643 establishes that the program will test extending, for at least 24 months but not more than 60 months, TANF and SNAP benefits by deferring the application of income and asset limit eligibility requirements for continuation of the benefits and by reducing the benefits using a graduated plan for reducing TANF or SNAP benefits that correlates with a phase of the pilot program's progressive stages toward self-sufficiency.

S.B. 643 requires the program to be designed to allow social services providers, public benefit offices, and other community partners to refer potential participating families to the program and sets out the manner by which the program is required to assist families in attaining self-sufficiency.

S.B. 643 requires the pilot program to operate for at least 24 months and to include 16 additional months for specified activities related to the development, operation, and administration of the program. S.B. 643 requires HHSC to develop and implement the 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 HHSC determines appropriate.

The provisions of S.B. 643 expire September 1, 2026.

As proposed, S.B. 643 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 in SECTION 1 (Section 531.02241, Government Code) of this bill.

Rulemaking authority is expressly granted 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," "living wage," "self-sufficiency," "slow reduction scale," and "supplemental nutrition assistance benefits."

(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. Authorizes the number of families that may be served under the program in the following year to be increased by 20 percent if the number of families participating in the program during a year reaches capacity for that year as determined by HHSC.

(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 deferring the application of income and asset limit eligibility requirements for continuation of the benefits and reducing the benefits using a slow reduction scale. Requires the amount of any income limit requirement that is applied to be in an amount that does not exceed the amount, based on a participating family's makeup and the living wage in the family's geographical area of residence, determined to be necessary for the purposes of the program. Requires the deferral of the application of any asset limit requirement to allow the family to have assets in an amount that is equal to or less than \$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 at least 18 but not more than 62 years of age and willing and physically and legally able to be employed; and

(2) has a total household income that is less than a living 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, the application of which may be deferred for a limited period and that, if applied, would impede self-sufficiency;

(2) implementing strategies, including deferring the application of the eligibility requirements 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 living wage, the amount of benefits is reduced by 10 percent;

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

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

(C) a third phase in which the family transitions to self-sufficiency by securing employment that pays a living wage, reducing debt, and building savings, and becomes ineligible for financial assistance and supplemental nutrition assistance benefits on reaching 100 percent of the family's living wage; and

(D) a final phase in which the family attains self-sufficiency by retaining employment that pays a living 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. Requires the case manager, during the intake meeting, to:

(1) determine whether the person's family meets the eligibility requirements under Subsection (e), and whether the application of income or asset limit eligibility requirements for continuation of financial

assistance and supplemental nutrition assistance benefits may be deferred 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 deferring the application of income and asset limit eligibility requirements 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 the pilot program to provide each participating family with holistic, wraparound case management services, including the strategic use of financial assistance and supplemental nutrition assistance benefits, to ensure that goals included in the family's service plan are achieved. Requires that a participating family be assigned a program case manager who is required to:

(1) provide, if the family is determined to be eligible, the family with a verification of the deferred application of asset and income 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) create, during the initial phase of the program, medium- and long-term goals consistent with the strategies developed under Subsection (g)(4).

(i) 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 control group, a group consisting of families for whom the application of income and asset limits is deferred, and a group consisting of families for whom the application of income and asset limits is deferred 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.

(j) 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.

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

(l) 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 an evaluation of the program's effect on participating families in achieving self-sufficiency and no longer requiring means-tested public benefits, 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, a cost-benefit analysis of the program, and recommendations on the feasibility and continuation of the program.

(m) 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.

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

(o) 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 a delay of implementation until such a waiver or authorization is granted.

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