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## WHITHER WELFARE AS THE SESSION WITHERS

### A brief update on welfare bills and TANF spending

With only days remaining in the current legislative session, the fate of an array of welfare policy changes will soon be told. This Policy Page provides a quick snapshot of where things stand on the various welfare policies and TANF funding issues we have been following this session. For more details on each of the bills mentioned below, see our website at [www.cppp.org](http://www.cppp.org).

### MOVING

#### **Bills that are definitely on the pass-track include:**

*HB 820* which would direct the Texas Department of Human Services to modify its education and outreach efforts to inform parents leaving TANF of their children's potential eligibility for continued Medicaid coverage. The legislation would also allow DHS to provide a period of provisional eligibility while it attempts to contact the parents and confirm eligibility. This bill was amended and then passed in the Senate on May 19<sup>th</sup>. *SB 13*, which implements an increased earnings disregard for TANF families who become employed is currently in the House

Calendars committee. *SB 666* which phases down the "age-of-child" work exemptions for TANF recipients is on the House calendar for May 20th. A bill that would create an Individual Development Account pilot project – *HB 2546* – is certified for the Senate Local and Consent Calendar. *SB 343*, which codified the Self-Sufficiency Fund, has already been enrolled and *SB 1423*, which provides supplemental assistance to grandparents caring for TANF children, has been sent to the House Local and Consent calendar.

### LURKING

The big news is what is – and is not – happening with punitive proposals such as full-family sanctions, and "one-strike and you're out" provisions for fraud and drug-related felonies, and with Chairman Naishtat's omnibus welfare bill – *HB 3639*. Readers may remember that *HB 3639* included modified versions of full-family sanctions and the other increased sanctions and penalties provisions together with more supportive provisions. This bill was an effort to come to a compromise welfare package with other members and the governor. Negotiations on such a compromise broke down and *HB 3639* died in Calendars committee. However, the DHS Sunset bill (*SB 3639*) headed for the House floor last week and was clearly going to become a vehicle for all of the more punitive welfare measures that had not succeeded in moving out

of either the House or Senate. The amendments that were going to be offered included versions of full-family sanctions and "one-strike and you're out" for welfare fraud and drug-related felonies. In an attempt to head off these amendments, Rep. Bosse offered a modified version of *HB 3639* as amendment #1. After some heated attacks by Reps. Hilderbran and Culberson, a motion to table the amendment was defeated. Rep. Hilderbran was speaking at the podium, having repackaged all of the punitive amendments into one amendment to the amendment, when the entire bill was pulled down on a point of order by Rep. Wilson. It has since been recommitted to the Human Services Committee and voted out again. Apparently, there are very high-level negotiations underway concerning what to do about

the various welfare-related amendments. Time is running out, and there are limited vehicles on which the punitive welfare bills could be amended. If the DHS Sunset bill reappears it may be as part of a deal

on the welfare provisions. If the DHS Sunset bill does not come back to the floor, DHS will likely be continued under a fall-back provision in another bill.

## WHERE'D ALL THE TANF GO?

We will produce a full analysis of TANF allocations after the session, but there are a few decisions that are worth noting at this stage. In general, TANF funding for the coming biennium is being utilized in ways similar to the current biennium – for cash assistance, employment services and services at the Department of Protective Regulatory Services – with a few notable differences. The following selected items reflect only TANF federal funds, not TANF maintenance of effort or other general revenue.

For the first time in nearly 15 years the basic TANF cash grant will receive a reasonable improvement. Instead of a fixed amount, the grant will be pegged at 17% of the Federal Poverty Level (FPL) and adjusted annually to keep to this level. The current value of the maximum grant for a family of three is \$188/month (about 16.25% of FPL) and the change in the budget will increase the grant in 2001 to about \$200/month. In addition to this change, all TANF families will receive a once-a-year \$60 per child back-to-school grant. These two items alone use \$61.6 million in TANF in FY2000-01. Among other positive changes are:

- funding for a four-month/90% earnings disregard;
- supplemental assistance for TANF grandparents (contingent on passage of SB 1423);
- increased case management for TANF recipients (Barriers project);
- an increase (over FY98-99) of \$80 million in TANF funds used for child care services; and

- A doubling of the Self-Sufficiency Fund from \$12 million to \$24 million.

DPRS will become a significant recipient of TANF federal funds in the coming biennium. The funding of most of its Legislative Appropriations Request exceptional items was made possible through TANF allocations, with notable increases to Child Protective Services and foster care payments. DPRS will receive \$362 million in TANF funds in FY2000-2001. However, this was part of a TANF funding swap that used nearly \$173 million to free-up \$162 million in general revenue. As mentioned above, full details of the TANF and TANF MOE allocations will follow in a complete summary as soon as we can analyze final budget documents.

It appears that the conference committee will leave about \$135 million in TANF funds in contingency. In deciding to leave this much unallocated, proposed items such as temporary housing assistance, child support incentives, and bonuses for local workforce boards that place TANF clients in living wage work were left unfunded. Additionally, much more TANF could have been used for child care services. The recently released final TANF regulations offer new opportunities for states to use TANF to support low-income working families outside of the traditional cash assistance system. Unfortunately, Texas' TANF allocations for FY2000-01 do little to experiment with these new opportunities. The conferees should be commended for the improvements they have funded, but many more creative uses of TANF – which could significantly benefit low-income families – remain on the table.

