

- SUBJECT: Modifying and extending the Parents as Scholars pilot program
- COMMITTEE: Human Services — committee substitute recommended
- VOTE: 6 ayes — Naishtat, Chavez, J. Davis, Ehrhardt, Noriega, Villarreal
0 nays
3 absent — Raymond, Telford, Wohlgemuth
- WITNESSES: For — *Registered but did not testify*: Patrick Bresette, Center for Public Policy Priorities
Against — None
On — Larry Temple, Texas Workforce Commission; *Registered but did not testify*: Judy Denton, Texas Department of Human Services
- BACKGROUND: In 1999, the 76th Legislature created the Parents as Scholars pilot program under the Department of Human Services (DHS). The program provides recipients of public assistance under the federal Temporary Assistance to Needy Families (TANF) program with assistance for tuition, fees, books, and supplies to help them obtain college degrees for a period of up to 48 months. Human Resources Code, sec. 31.045 authorizes the program, defines eligibility requirements, and sets an expiration date of September 1, 2003. DHS must establish eligibility criteria for the program that:
- ! require a participant to meet the eligibility criteria for financial assistance;
 - ! prohibit a person who already holds a bachelor's degree from participating;
 - ! require the person to seek a degree that would improve the person's ability to obtain employment in the local labor market;
 - ! result in the recruitment of participants who lack the skills to get jobs at a compensation level equal to at least 85 percent of the area's median income; and

! require the applicant to demonstrate the aptitude to complete degree requirements.

DHS was to report to the Legislature not later than January 15, 2001, on the program's effectiveness in improving employability of TANF beneficiaries, with recommendations on expanding or ending the program.

DIGEST:

CSHB 1187 would require the Texas Workforce Commission (TWC) to establish Parents as Scholars as an ongoing pilot program. A TANF recipient who had a dependent child and a high school diploma and was not exempt from TANF work requirements could participate in this program. Recipients would be eligible for the same level of cash assistance as before, and for child-care services, medical assistance, and food stamps.

The program would be capped at 100 participants at any time. Until the program was filled, TWC would have to assess each recipient for eligibility based on the recipient's educational history and possession of skills that would enable the recipient to earn a salary equal to at least 85 percent of the state median income. This assessment would have to be conducted after the employment planning session but before the development of an individual employment plan. For each participant, TWC would have to develop an individual education plan that would require the participant to take any examinations needed to enter a higher education institution, to apply for admission to at least one institution, and to apply for financial aid.

An offer to participate in the Parents as Scholars program would depend on the recipient's likely ability to obtain a degree and to be accepted into a program within the 12-month TANF period, and the recipient's need for additional skills to earn a salary equal to at least 85 percent of the state median income. Admission to the program would be on a first-come, first-served basis.

A person accepted in the program would have to comply with mandatory work requirements until school began but could apply hours spent applying to the university and for financial aid against the work requirements. A person who could not gain acceptance to a university within 12 months would become ineligible for the program.

To remain in the Parents as Scholars program, a person would have to enroll in an institution and begin attending classes the first semester possible. Thereafter, the recipient would have to take at least 12 credit hours each semester, maintain eligibility for financial aid, and make satisfactory academic progress.

Participation in Parents as Scholars would waive the recipient's time limit on receiving TANF benefits. If a recipient were seeking an associate degree, the program would have to provide cash assistance and child-care benefits until the recipient earned a degree or for 36 months. If the recipient were seeking a baccalaureate degree, the program would have to provide cash assistance and child-care benefits until the recipient earned a degree or for 60 months. A person who obtained an associate degree could pursue a baccalaureate degree, if approved.

CSHB 1187 would direct TWC to report to the Legislature not later than January 15, 2007, on the program's effectiveness in improving employability of TANF beneficiaries, with recommendations on expanding or ending the program. The program would expire September 1, 2007.

This bill would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 1187 would continue enrolling participants in an important program. The Parents as Scholars pilot program now requires participants to have completed high school no earlier than the 1998-1999 school year. The new program would remove that stipulation, while preserving the rest of the program's features.

This bill would allow program participants to fulfill TANF work-requirement hours with education-related activities. It would allow recipients to take the time to study for the Scholastic Aptitude Test and other tests, fill out applications, and seek financial aid.

Continuing the Parents as Scholars program would help get more TANF recipients out of the welfare system and move them into higher-skilled, higher-paying jobs. Obtaining a college degree greatly increases a person's employment opportunities and earnings potential. The 1990 census showed that people with bachelor's degrees earn an average of \$2,552 per month,

while those with high school diplomas or less education earn an average of \$1,595 per month.

Job assistance programs for welfare recipients usually result in placing them in minimum-wage or other low-wage jobs with no benefits. Access to higher education, however, would help prepare them for higher-wage jobs with benefits. This program ultimately would reduce the number of welfare recipients in Texas, thus saving tax money.

OPPONENTS
SAY:

CSHB 1187 would short-circuit the review process for the Parents as Scholars program. The pilot program was designed to run for four years with review at the end. This bill would extend the program until 2007 without solid evidence that it is achieving its stated goals. The Legislature should wait until next session to make any decisions about this program.

NOTES:

The House-approved version of SB 1 by Ellis, the general appropriations bill for fiscal 2002-03, would provide \$93,600 per year for Parents as Scholars under a contingency rider for DHS in the Article 11 "wish list."

The committee substitute would repeal the existing Parents and Scholars program and require TWC to establish a new pilot program, ending in 2007, that would enable a TANF recipient to fulfill work requirements by pursuing a postsecondary degree. The bill as filed would have required DHS to modify the existing program to allow a recipient to receive, in lieu of financial assistance, a package of benefits designed to help the recipient earn a degree. It would have extended the program to 2005.