

SUBJECT: Monitoring employment history of former recipients of public assistance

COMMITTEE: Economic Development — committee substitute recommended

VOTE: 8 ayes — Solis, Keffer, Deshotel, Homer, Luna, McClendon, Seaman, Yarbrough

0 nays

1 absent — Clark

WITNESSES: For — Patrick Bresette, Center for Public Policy Priorities; *Registered but did not testify:* Jennifer Corrigan, Texas Council on Family Violence; Bill Hammond, Texas Association of Business and Chambers of Commerce; David Pinkus, Small Business United of Texas; Hannah Riddering, Texas National Organization for Women

Against — None

On — Mark Hughes, Texas Workforce Commission

BACKGROUND: Human Resources Code, chapter 31 and 7 U.S.C., sec. 2015(d) require recipients of Temporary Assistance to Needy Families (TANF) or of food stamps to work or be enrolled in an employment or training program. The Texas Workforce Commission (TWC) operates the Choices program and the Food Stamp Employment and Training program to meet those requirements.

20 C.F.R., sec. 663.230, containing the federal regulations implementing the Workforce Investment Act of 1998, requires state or local boards to set criteria to determine whether employment leads to self-sufficiency. At a minimum, this amount must equal the “lower living standard income level” set each year by the labor secretary, adjusted by family size and region.

DIGEST: CSHB 1243 would direct the TWC to collect information on the wages and household earnings of former clients of the commission’s public-assistance employment programs and report this information to the Legislature no later than January 1 of each odd-numbered year. The TWC would have to:

- ! track the wage and employment outcomes of former recipients for at least three years;
- ! calculate the former recipient's individual earnings as a percentage of the federal poverty level; and
- ! compare the former recipient's individual earnings to a self-sufficiency standard similar to that in 20 C.F.R., sec. 663.230.

The commission also would be required, to the extent possible, to collect information on the former recipient's household composition and earnings, the recipient's household earnings as a percentage of the federal poverty level, and additional training or education received by the recipient. The commission would have to design the monitoring system in cooperation with the Texas Department of Human Services.

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, 2001.

**SUPPORTERS
SAY:**

HB 1243 would direct the TWC to compile information that would help the state determine if the commission's employment programs are successful in moving people into self-supporting employment. Although the commission currently tracks the employment and wages of former employment-program participants for a year after they leave the program, this information is insufficient in determining whether these individuals can maintain their employment and work their way out of poverty.

With the pending expiration of Texas' TANF waiver, which exempts the state from certain workforce-participation requirements for its population on public assistance, the state must know which programs are successful for these people. By requiring the TWC to track these people for three years and compare their wages to federal poverty levels, HB 1243 would help the state evaluate better whether these programs are fulfilling their purpose.

The bill would require no additional funding for the TWC. The data that the bill would require either are collected already by state agencies or could be collected with the TWC's current resources. While certain information might be harder to collect, the bill would require the commission to provide this information only to the extent possible with current resources.

OPPONENTS
SAY: No apparent opposition.

NOTES: The committee substitute would require the TWC to track the wages and employment of former recipients for at least three years, rather than for a minimum of one year and a maximum of five years, as the filed version would have required. The substitute also modified the original bill by adding “to the extent possible” to the provisions directing the TWC to provide information on additional training or education received by the former recipient and computing the recipient’s household earnings as a percentage of the federal poverty level.