

BILL ANALYSIS

Senate Research Center

H.B. 1439
By: Hilderbran (Duncan)
Health & Human Services
5-16-97
Committee Report (Amended)

DIGEST

The Committee on Human Services Interim Report sets forth legislative recommendations relating to carrying out the intent of the welfare reform package. This bill would implement such recommendations. This bill would state that Aid to Families with Dependent Children payments may be used only to purchase goods and services that are considered essential and necessary to the welfare of the family and directs the Department of Human Services (DHS) to define, by rule, what constitutes essential and necessary goods and services. Additionally, this bill would direct DHS to encourage certain retailers to accept payment through the state's electronic benefit transfer (EBT) system and to conduct a pilot project in which these retailers use the EBT system.

PURPOSE

As proposed, H.B. 1439 provides that Aid to Families with Dependent Children payments may be used only to purchase goods and services that are considered essential and necessary to the welfare of the family and directs the Department of Human Services (DHS) to define, by rule, what constitutes essential and necessary goods and services. Additionally, this bill directs DHS to encourage certain retailers to accept payment through the state's electronic benefit transfer (EBT) system and to conduct a pilot project in which these retailers use the EBT system.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Department of Human Services in SECTION 1 (Section 31.0355(a), Human Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 31B, Human Resources Code, by adding Section 31.0355, as follows:

Sec. 31.0355. USE OF FINANCIAL ASSISTANCE. (a) Authorizes financial assistance granted to a person under this chapter to be used only to purchase goods and services that are considered essential and necessary for the welfare of the family. Requires the Department of Human Services (DHS), by rule, to define what constitutes essential and necessary goods and services for purposes of this subsection.

(b) Authorizes a recipient, if the recipient of financial assistance who receives the assistance by electronic benefits transfer (EBT) to an account is authorized to make a cash withdrawal from the account through a provider of the goods or services described by Subsection (a), to make the cash withdrawal only at the customer service department of the provider and not at the provider's point-of-sale terminal.

(c) Requires DHS to encourage housing authorities, utility companies, public transportation companies, and other nonfood retailers to accept payment for goods and services described by Subsection (a) through the state's EBT system.

(d) Sets forth guidelines relating to the required development of a pilot project by DHS to determine the feasibility of using the EBT system to accept payments for certain goods and services.

(e) Requires DHS, under certain conditions, to promote the use of the EBT system to appropriate businesses statewide with the goal of securing the participation of all those businesses in using the EBT system to accept payment for certain goods and services.

(f) Requires DHS to evaluate the pilot project and report to the 76th Legislature on the effectiveness of the pilot project by January 15, 1999.

SECTION 2. Amends Chapter 31B, Human Resources Code, by adding Section 31.0341, as follows:

Sec. 31.0341. JUDICIAL REVIEW. Provides that except as provided by this section, Sections 2001.142, 2001.144, 2001.145, and 2001.146, Government Code, and Subchapters G and H, Chapter 2001, Government Code, govern an appeal of a DHS decision under Section 31.034 by an applicant for a recipient of financial assistance under this chapter. Prohibits the cost of preparing the record and the transcript from being charged to the applicant for or recipient of the assistance. Provides that an appeal described by Subsection (a) takes precedence over all civil cases except workers' compensation and unemployment cases. Provides that the appellee is DHS.

SECTION 3. Amends Section 2001.223, Government Code, to provide that Section 2001.038 and Subchapters C through H do not apply to, among other items, the granting, payment, denial, or withdrawal of [financial or] medical or nutritional assistance or benefits under service programs of DHS.

SECTION 4. Amends Chapter 2001I, Government Code, by adding Section 2001.227, as follows:

Sec. 2001.227. EXCEPTION FROM DECLARATORY JUDGMENT AND CONTESTED CASE PROVISIONS. Provides that except as provided by Section 31.0341, Human Resources Code, Section 2001.038 and Subchapters C-F do not apply to the granting, payment, denial, or withdrawal of financial assistance under Chapter 31, Human Resources Code, by DHS.

SECTION 5. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 6. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

Amendment 1.

Strikes SECTION 2 and 3, setting forth the effective date and the emergency clause, and replaces with SECTIONS 2-6, relating to judicial review and exceptions from declaratory judgment, court enforcement, and contested case provisions.