

## **BILL ANALYSIS**

Senate Research Center  
76R12203 CLG-D

C.S.S.B. 13  
By: Zaffirini  
Human Services  
4/15/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, in Texas, a consideration for determining eligibility for Temporary Assistance for Needy Families (TANF) is whether income is earned. Under the current program, recipients lose eligibility for cash and Medicaid when starting a 20 hour per week job. This bill allows recipients to retain their earnings without losing TANF benefits up to the first six months of employment, thereby reducing recidivism rates and easing their transition into work.

### **PURPOSE**

As proposed, C.S.S.B. 13 requires the Department of Human Services to not consider income earned by certain recipients of Temporary Assistance for Needy Families benefits for eligibility determination purposes.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Department of Human Services in SECTION 1 (Section 31.0038, Human Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 31A, Human Resources Code, by adding Section 31.0038, as follows:

Sec. 31.0038. EARNED INCOME DISREGARDS FOR EMPLOYMENT. Sets forth the purpose of the earned income disregards benefit. Defines "former recipient of the earned income disregards benefit." Requires the Texas Department of Human Services (DHS) to disregard any earned income in excess of \$120 received by a recipient of financial assistance up to the first six months in which income from employment is received for the purposes of determining certain eligibility requirements. Prohibits DHS from disregarding under Subsection (c) the earned income of a recipient who left a position of employment voluntarily without good cause while receiving financial assistance or during a specified period, to be determined by department rule, that immediately precedes the date on which the recipient obtained new employment. Prohibits DHS from disregarding under Subsection (c) the earned income of a former recipient of the earned income disregards benefit until the first anniversary of the day after the last date on which the former recipient's earned income was disregarded under that subsection. Prohibits DHS from exempting the recipient from participating in a work or employment activity under Section 31.012, during the period the earned income of a recipient is disregarded by DHS under Subsection (c). Grants rulemaking authority to DHS regarding requirements for eligibility determination.

SECTION 2. Repealer: Section 31.043, Human Resources Code (Fill-the-Gap Budgeting).

SECTION 3. Requires DHS to request a waiver or authorization and authorizes DHS to delay any provision of this Act if a state agency determines a waiver or authorization from a federal agency is necessary for implementation.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.

## **SUMMARY OF COMMITTEE CHANGES**

### **SECTION 1.**

Amends Section 31.0038, Chapter 31A, Human Resources Code, to set forth the purpose of the earned income disregards benefit. Defines “former recipient of the earned income disregards benefit.” Requires the Texas Department of Human Services (DHS) to disregard any earned income in excess of \$120 received by a recipient of financial assistance up to the first six months in which income from employment is received for the purposes of determining certain eligibility requirements, rather than disregarding a significant portion of any earned income during the first four months of employment. Prohibits DHS from disregarding under Subsection (c) the earned income of a recipient who left a position of employment voluntarily without good cause while receiving financial assistance or during a specified period, to be determined by department rule, that immediately precedes the date on which the recipient obtained new employment. Prohibits DHS from disregarding under Subsection (c) the earned income of a former recipient of the earned income disregards benefit until the first anniversary of the day after the last date on which the former recipient’s earned income was disregarded under that subsection. Prohibits DHS from exempting the recipient from participating in a work or employment activity under Section 31.012, during the period the earned income of a recipient is disregarded by DHS under Subsection (c). Revises the rulemaking authority granted to DHS regarding requirements for eligibility determination.

### **SECTION 2.**

Repealer: Section 31.043, Human Resources Code (Fill-the-Gap Budgeting).

Redesignates proposed SECTIONS 2-5 as SECTIONS 3-6.