

SUBJECT: Creating a pilot program to gradually reduce SNAP and financial benefits

COMMITTEE: Human Services — committee substitute recommended

VOTE: 9 ayes — Frank, Hinojosa, Clardy, Deshotel, Klick, Meza, Miller, Noble, Rose

0 nays

WITNESSES: For — Cindy Casey and Shannon Rosedale, Catholic Charities Fort Worth; Celia Cole, Feeding Texas; Jennifer Allmon, The Texas Catholic Conference of Bishops; (*Registered, but did not testify*: Judy Powell, Parent Guidance Center; Robert Widrow, RAISE Texas; Kathryn Freeman, Texas Baptist Christian Life Commission; Ann Baddour, Texas Appleseed; Mia McCord, Texas Conservative Coalition; Knox Kimberly, Upbring)

Against — None

On — (*Registered, but did not testify*: Gina Carter, Health and Human Services Commission; Will Francis, National Association of Social Workers-Texas Chapter; Courtney Arbour, Texas Workforce Commission)

DIGEST: CSHB 1483 would require the Health and Human Services Commission (HHSC) to develop and implement a pilot program for assisting eligible families to gain permanent self-sufficiency and no longer require benefits from the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families program, or certain other financial assistance programs.

The pilot program would waive income, asset, and time limit eligibility requirements for financial assistance and SNAP benefits for participating families for 24 to 60 months, and would reduce benefits over the course of the program in four phases.

The program would include 16 additional months for planning, designing, recruiting, placement, data collection, and evaluation.

Development. HHSC would be required to develop and implement the pilot program with the assistance of the Texas Workforce Commission (TWC), local workforce development boards, faith-based and other relevant public or private organizations, and any other entity or person HHSC deemed appropriate.

The pilot program would have to be designed to allow social services providers, public benefit offices, and other community partners to refer families to the program.

Program size. HHSC would develop and implement the pilot program for no more than 500 eligible families. If the number of families participating in the program during a year reached capacity, the number of families that could be served in the following year could be increased by 20 percent.

Eligibility. A family would be eligible to participate in the pilot program if that family included one or more members who were recipients of SNAP or other financial assistance and at least one member who received assistance was between 18 and 62 years old and willing and able to be employed. A family would also be required to have a total household income that was less than a living wage in order to be eligible for participation in the program.

HHSC would be required to freeze a family's eligibility status for benefits for the duration of the family's participation in the program, beginning on the date the family entered the program. The waiver of any asset limit requirement would have to allow the family to have assets of at least \$1,000 per member of the family's household.

Pilot program. The program would be designed to assist eligible, participating families to attain self-sufficiency, as defined in the bill, by identifying eligibility requirements and time limits for assistance benefits that would impede self-sufficiency as well as implementing strategies to

remove those and other barriers.

The program would be designed to move participating families through progressive stages towards self-sufficiency. These phases would include:

- an initial phase, in which a family would move out of an emergent crisis by securing housing, medical care, and financial and SNAP benefits as necessary;
- a second phase, in which the family would secure employment and child care, if needed, while participating in services to build the financial management skills necessary to meet financial goals;
- a third phase, in which the family would transition to self-sufficiency by securing employment that paid a living wage, reducing debt, and building savings; and
- a final phase, in which the family would attain self-sufficiency by retaining employment that paid a living wage, amassing at least \$1000 in assets per family member, and having manageable debt.

During the second phase of the program, the family's financial assistance and SNAP benefits would be reduced according to a three-tier scale, based on the family's income.

In the third phase, a family would become ineligible for financial assistance and SNAP benefits once the family earned an income that reached 100 percent of the family's living wage.

In the final phase, a family would attain self-sufficiency so that the family would no longer be dependent on financial assistance, SNAP, or other means-tested public benefits for at least six months following the end of the family's participation in the pilot program.

Case management. A person from a family that wished to participate in the pilot program would be required to attend an in-person intake meeting with a program case manager.

During the intake meeting, the case manager would be required to:

- determine whether the person's family met the eligibility requirements;
- determine if it was possible to waive the income limit, asset limit, and time limits of SNAP and financial benefits necessary for the family to participate in the pilot program;
- review the family's demographic information and household financial budget;
- assess the family members' current financial and career situations;
- collaborate with the person to develop and implement strategies for removing barriers to the family attaining self-sufficiency; and
- if the family was eligible and chose to participate, schedule a follow-up meeting to further assess the family's crisis, review available referral services, and create a service plan.

A participating family would be assigned to a program case manager who would be required to provide the family with verification of the waived application of asset, income, and time limits, allowing the family to continue receiving financial assistance and SNAP benefits on a slow reduction scale.

The program case manager would be required to work with the family to assess their crisis, review referral services, and create a service plan as well as medium- and long-term financial goals.

Research groups. The pilot program would be required to randomly place each participating family in one of three research groups, including:

- a control group;
- a group of families whose income, asset, and time limits on benefits were waived; and
- a group of families whose income, asset, and time limits on benefits were waived and who received holistic, wraparound case management services.

Data collection. The pilot program would be required to collect and share

data that allowed for:

- obtaining participating families' eligibility and identification data before a family was randomly placed in a research group;
- conducting surveys or interviews of participating families;
- providing quarterly reports for up to 60 months after a participating family was enrolled in the pilot program regarding the program's effect on the family's labor market participation, income, and need for public benefits;
- assessing the interaction of the program's components with the desired outcomes of the program; and
- conducting a rigorous third party experimental impact evaluation of the pilot program.

Evaluation and Reporting. HHSC would be required to monitor and evaluate the pilot program in a manner that allowed for promoting research-informed results.

Within 48 months of the pilot program's completion, HHSC would be required to submit a report to the Legislature. The report would be required to include:

- an evaluation of the program's effect on participating families in achieving self-sufficiency;
- the impact to the state on the costs of SNAP, financial assistance, and child-care services program operated by the TWC;
- a cost-benefit analysis of the program; and
- recommendations on the feasibility and continuation of the program.

HHSC also would be required, as it deemed appropriate, to provide additional reports to the Legislature during the operation of the pilot program.

Implementation of program. TWC and the executive commissioner of HHSC would be authorized to adopt rules to implement the bill. The bill

would expire September 1, 2026.

If a state agency determined that a waiver or authorization from a federal agency was necessary for implementation of any provision of the bill, the state agency would be required to request the waiver and would be permitted to delay implementation of the waiver or authorization until granted.

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, 2019.

**SUPPORTERS
SAY:**

CSHB 1483 would create a pilot program designed to ease families off government benefits while helping them secure jobs that pay a living wage, reduce debt and increase savings, and become financially self-sufficient.

Current public assistance programs often incentivize recipients of benefits to turn down better paying jobs because the increased income would disqualify them from the assistance they still need to meet immediate, necessary expenses, such as food, gas, rent, and child care. As a result, families receiving financial assistance often end up remaining in or re-entering poverty.

By slowly reducing benefits over time and eliminating income, assets, and time limits associated with those benefits for two to five years, CSHB 1483 would give families participating in the pilot program time to work their way into a job that paid a living wage. The program would also provide families with the financial tools and support necessary to help them get out of debt and build savings.

Because the bill would require the pilot program to begin with no more than 500 participants, with the opportunity to increase capacity if demand allowed, and include extensive data collection, assessments, reporting, and a third party analysis, the program would be well positioned to be

successfully expanded in the future. Incorporating a random trial evaluation in the pilot program would pinpoint the most effective pieces of the program, providing helpful data for future policy decisions.

The pilot program would be designed to work with organizations most experienced and skilled at managing cases like those of potential program participants. By focusing the program at the community level, participating organizations would be able to be more responsive to the populations they served.

OPPONENTS
SAY:

CSHB 1483 should be expanded to include more families receiving public benefits. There is enough evidence that this type of program works to justify serving a larger population of the working poor and providing wraparound case management services to every participant of the program.

The bill should include a definition of case management. Without a clear definition of case management in the bill, there would be no way to ensure that research-informed, quality services were being provided by the participating organizations.

NOTES:

According to the Legislative Budget Board, CSHB 1483 would have an estimated negative fiscal impact of \$203,977 in general revenue related funds through the biennium ending August 31, 2021.