



Presentation to the Senate Committee on Health and Human Services: Temporary Assistance for Needy Families

Kyle Janek, M.D.

Executive Commissioner

Health & Human Services Commission

Stephanie Muth

Deputy Executive Commissioner, Office of Social Services

Health & Human Services Commission

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TANF Overview

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the Temporary Assistance for Needy Families (TANF) block grant, and:

- Ended “welfare” as an entitlement.
- Established wide flexibility for states to develop and implement programs.
- Linked receipt of TANF to work requirements (administered by the Texas Workforce Commission).
- Defined four major goals for the program.
 - Provide assistance to needy families so that children may be cared for in their own homes; or in the homes of relatives;
 - Reduce dependency of needy parents by promoting job preparation, work and marriage;
 - Prevent out-of-wedlock pregnancies; and
 - Encourage the formation and maintenance of two-parent families.

Funding

TANF programs are funded with federal and state funds.

- The Texas Legislature determines the amount of TANF funds (federal and state) to appropriate to programs at the Health and Human Services Commission (HHSC), Texas Workforce Commission, and other agencies.
- The state draws down all available federal funds in the block grant.
 - For Fiscal Year 2014, a total of \$495.3 million in block grant funding was appropriated.
 - \$26.8 million or 5.4% was allocated for TANF cash assistance at HHSC.

Types of Cash Assistance

TANF is intended to provide cash assistance to needy dependent children and the parents or relatives with whom they are living.

- There are two TANF programs that provide monthly cash assistance to eligible families.
 - The State Program helps children living in two-parent households.
 - The TANF-Basic Program helps child-only or single parent families.
- TANF-eligible families who meet certain criteria can opt to receive a \$1,000 one-time payment.
 - A grandparent caring for one or more grandchildren who receive TANF is eligible for a one-time supplemental payment of \$1,000.
 - A household meeting certain financial hardship criteria may elect a single TANF payment of \$1,000 instead of a monthly grant.
- TANF households are also eligible to receive Medicaid benefits and Supplemental Nutrition Assistance Program (SNAP) benefits.

Benefit Amounts

- The most common form of TANF cash assistance is a monthly grant. The amount of the grant is based on family size and income.
- The maximum benefit amount (currently 17% of Federal Poverty Limit) is established by HHSC Rider 25 in Article II of the General Appropriations Act.
 - For example, the maximum monthly benefit for a household with one parent and two children is \$277.
- In June 2014:
 - The average monthly benefit amount for each recipient was \$73.
 - The average monthly benefit amount for each case was \$171.

Eligibility

- To be eligible for TANF cash assistance, an applicant must:
 - Be a Texas resident;
 - Be a U.S. citizen or eligible documented immigrant;
 - Have a child under age 18 living in the home;
 - Cooperate with Personal Responsibility Agreement, including work requirements; and
 - Meet income and asset requirements.
 - Income limit of approximately \$188 per month/\$2,256 per year for a parent with two children.
 - Asset limit of \$1,000.

- Benefits are time limited.
 - Federal time limit is 60 months.
 - Does not apply to child-only cases.
 - State time limit is 12, 24, or 36 months based on work history and education.
 - Applies only to the adult.

Personal Responsibility Agreement

- To receive TANF cash assistance, adult applicants must sign a Personal Responsibility Agreement (PRA).
- The PRA requires recipients to agree to:
 - Participate in the Choices work program, unless exempt;
 - Cooperate with the child support program requirements;
 - Not quit a job;
 - Not abuse drugs or alcohol;
 - Attend parenting skills classes, if referred;
 - Obtain medical screenings for their children; and
 - Ensure that their children are immunized and attending school.

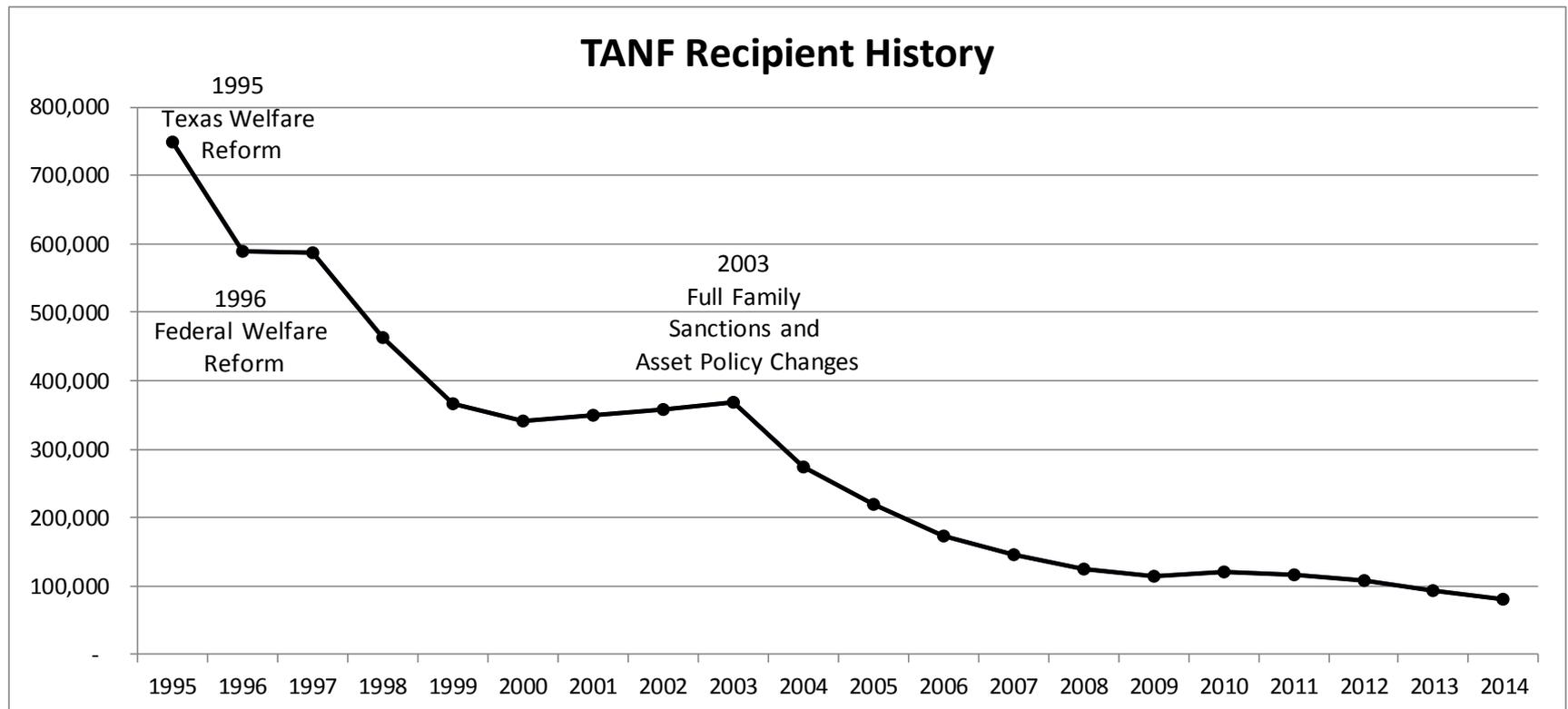
Personal Responsibility Agreement

- Households that do not comply with the PRA are sanctioned.
 - Households lose cash assistance for one month or until cooperation (whichever is longer).
 - Non-cooperation for two consecutive months results in denial of TANF eligibility and the family must demonstrate 30 days of compliance before receiving cash assistance.
 - Adult household members lose Medicaid coverage* for one month or until cooperation, whichever is longer, for non-compliance with TWC Choices work program or child support requirements.

**Federal requirements prohibit the state from denying Medicaid to adult household members who are pregnant or children under age 19.*

TANF Caseload

In State Fiscal Year 1995, the average monthly number of recipients was almost 750,000. In 2014, the average is just under 80,500.



TANF Uses

- TANF benefits are delivered via the Lone Star Card.
- State law directs TANF recipients to use assistance to purchase goods and services necessary and essential to the welfare of the family, such as:
 - Food
 - Clothing
 - Housing
 - Utilities
 - Transportation
 - Medical supplies
- Texas has one of the most restrictive TANF/EBT programs.
 - ATM withdrawals of TANF cash are not permitted.
 - Retailers authorized to accept TANF may not receive more than 10 percent of revenue from entertainment.

Federal and State Drug Testing Requirements

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- Federal law allows states to test and sanction TANF applicants or recipients for drug use.
 - States cannot implement random or suspicionless drug testing of TANF applicants or recipients.
 - In Michigan and Florida, federal courts have upheld rulings prohibiting states from implementing suspicionless drug testing.
 - As of July 2014, all 50 states have proposed legislation to require drug testing or screening of public assistance applicants or recipients.
 - As of July 2014, 11 states have passed drug testing legislation: Alabama, Arizona, Florida, Georgia, Kansas, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee, and Utah.