



## Snapshot: TANF & Texas

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### Recommendations

- Continue legislative initiatives that encourage self-sufficiency and employment.
- Maintain sanctions that enforce requirements related to work, child support, drug and alcohol abuse and other activities that support good parenting.
- Maintain the adult Medicaid sanction for non-compliance with work requirements.
- Ensure that expectations for work participation are clear to recipients and the state alike.
- Review exemptions in state law and in agency rule that exempt TANF clients from engaging in required work activities.
- Remove exemptions that impede the state's ability to engage recipients in work and prepare them for self-sufficiency.

### What is TANF?

The Temporary Assistance for Needy Families (TANF) program is a federal block grant program that provides assistance and work opportunities to poor families. TANF replaced the Aid to Families with Dependent Children (AFDC), the Job Opportunities and Basic Skills Training (JOBS) program, and the Emergency Assistance (EA) program as part of the federal welfare reform legislation of 1996. The new law ended federal entitlement to assistance and created block grants of federal funds to states, giving them the flexibility to develop and implement their own welfare programs.

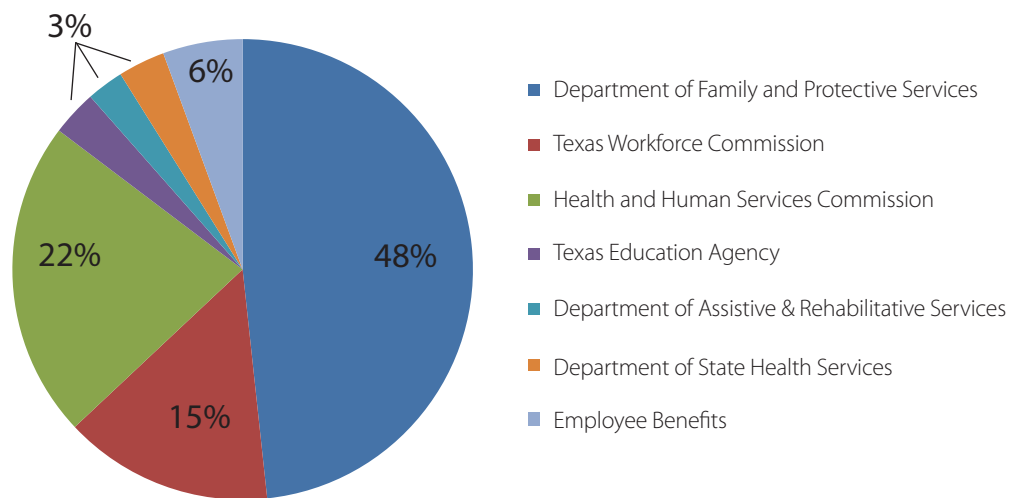
There are four main purposes of TANF:

- Assist needy families so children can be cared for in their own homes;
- Reduce the 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.<sup>1</sup>

### How much money does Texas receive?

Texas has received \$540 million per year from the federal government since 2004. Of that amount, \$486.3 million is block grant funds and \$52.7 million is supplemental funds.

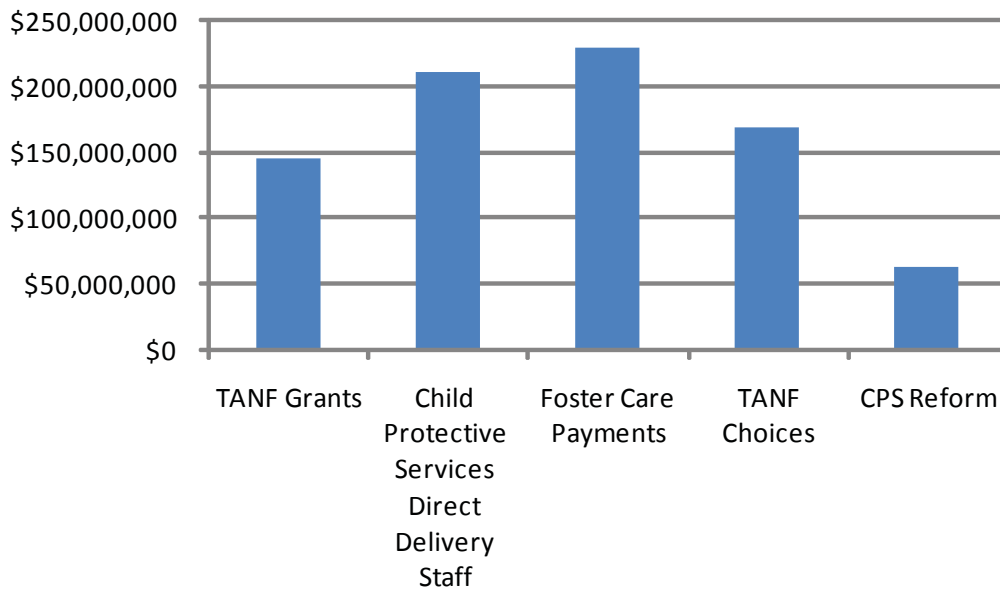
### Estimated TANF Federal Funds Distribution Fiscal Year 2008



Source: Legislative Budget Board: Top 100 Federal Funding Sources (May 2008)

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## Top Five Uses of TANF Funds in Texas: 2008-2009



Source: Legislative Budget Board

Supplemental funds are allocated to states with high population growth and low benefit levels.<sup>2</sup>

### How is it spent?

When TANF was created as a block grant program, states were given wide flexibility and discretion in the use of these federal funds. While traditionally most people think of welfare programs as providing assistance to single-parent homes and job training for the unemployed, these two services are just a few among the many services that TANF funds pay for in Texas. TANF funds in Texas pay for programs at six state agencies—Health and Human Services Commission, Department of Family and Protective Services, Texas Workforce Commission, Department of State Health Services, Department of Assistive and Rehabilitative Services, and Texas Education Agency—and cover a wide range of services that support the four main purposes of the TANF program.

### Top Five Uses of TANF Funds in Texas

#### Foster Care Payments

Foster care payments provide financial reimbursement or assistance for the care of children who have been removed from their homes and placed in licensed childcare facilities or family and designated caregiver programs. In fiscal

year 2008, the Texas Department of Family and Protective Services (DFPS) budgeted for 32,264 children in paid foster care and 12,350 in the relative and designated caregiver program.<sup>3</sup>

#### Child Protective Services Direct Delivery Staff

Direct delivery staff are the caseworkers and related staff that conduct child abuse and neglect investigations and deliver services to families with children who are at risk of abuse or neglect. DFPS budgeted for about 7,250 direct delivery staff in fiscal year 2008.

#### TANF Choices

TANF Choices is the employment and training program administered by the Texas Workforce Commission (TWC) for welfare recipients in Texas. Both state and federal welfare reform laws stress personal responsibility, time-limited cash benefits, and employment. The Choices program seeks to employ welfare recipients at the earliest opportunity by providing an orientation to the workforce center services and helping participants develop a family employment plan. If a Choices participant is unable to find a job—subsidized employment, community service, or other work activities are required. These activities are designed to build skills necessary for employment. The program also provides support services such as child care,

transportation assistance, work-related expenses, and other services needed to help the participant begin and retain employment. Choices participants also receive post-employment services to help retain employment and achieve self-sufficiency.<sup>4</sup>

TWC estimates that approximately \$7.6 million was invested in training through the TANF programs in fiscal year 2007, serving more than 10,000 individuals.<sup>5</sup>

**TANF Grants**

TANF Grants are administered by the Health and Human Services Commission and provide time-limited cash assistance to families with children who have incomes below 14 percent of the federal poverty level (FPL). Grants are provided to single-parent families and to two-parent families in which one or both parents are unemployed or have a disability. Grant amounts are based on household

size, income and the family’s basic needs. Additionally, most TANF recipients are eligible to receive Food Stamp benefits and Medicaid services. HHSC distributed TANF Grants to approximately 49,500 cases a month in 2008.<sup>6</sup>

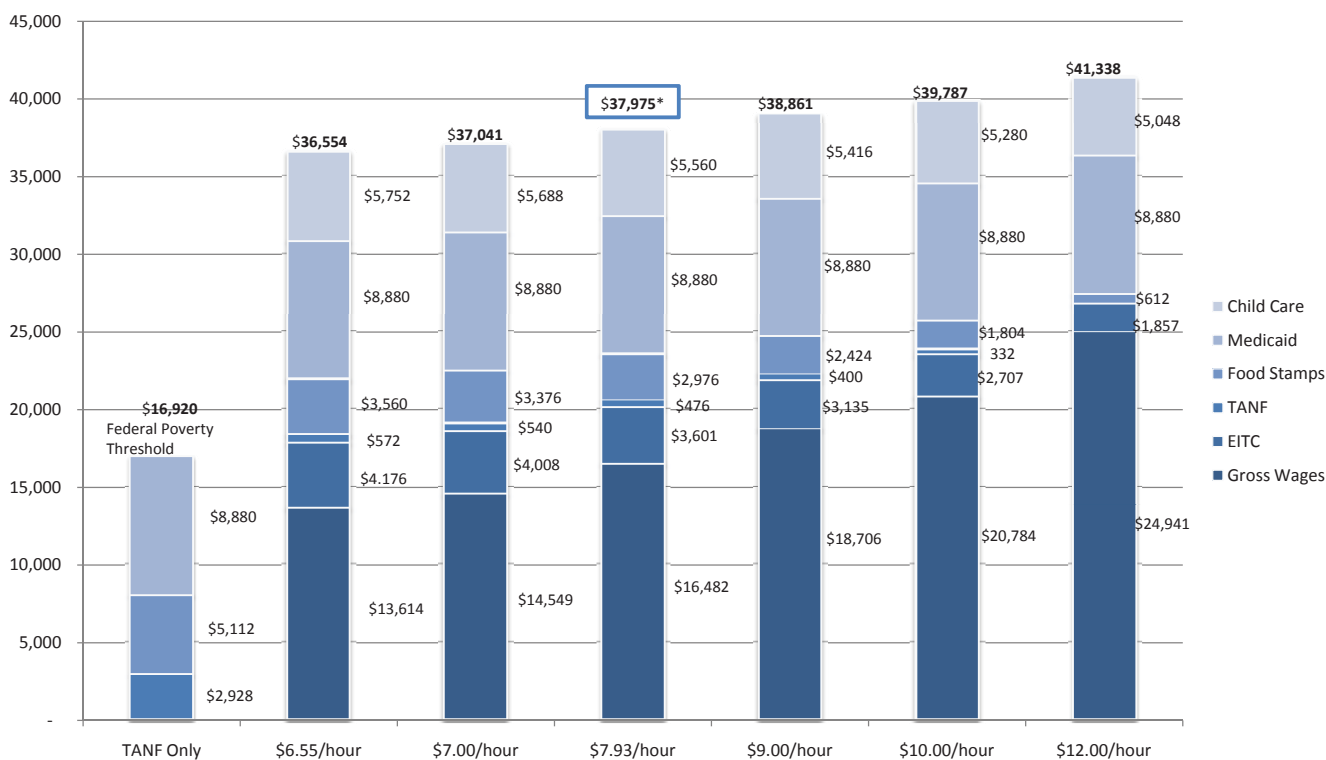
In order to apply for and receive TANF benefits, parents must sign a personal responsibility statement, agreeing to:

- keep their children in school, have them immunized, and complete required health screenings;
- cooperate with child-support collection efforts;
- participate in job-training or education programs;
- not voluntarily quit a job;
- not abuse alcohol or drugs; and
- attend parenting classes.<sup>7</sup>

**CPS Reform**

In 2005, the Texas Legislature passed Senate Bill 6, a sweeping reform bill that restructured Child Protective

**2008 Annual Wage and Benefit Scenarios for a Single Parent with Two Children**  
(Calculated Assessing Full-Time Employment of 40 Hours per Week and Four Months of Earned Income Disregard)



\*\$7.93 per hour is the state average (from May 1, 2007 to April 30, 2008) beginning wage for Choices participants entering employment. Note: At \$12.00 per hour, TANF values are \$0. Annual values are delivered by using four months of the Earned Income Disregard (EID) values plus eight months of Transitional values. Housing and Transportation costs are not included.

Source: *Single Parent Family Income and Assistance Model*, Texas Workforce Investment Council (July 2008)

Services programs by enhancing services to children and families that focus on keeping families together, reducing the length of time children remain in state care, improving the quality and accountability of foster care, and reducing the rate of growth in foster care. CPS reforms include measures to:

- **Strengthen investigations:** CPS is developing better working relationships with law enforcement, using better forensic techniques, hiring subject matter experts to assist caseworkers conducting investigations, providing better risk assessment, and reducing response times for cases.
- **Support quality casework:** CPS hired more than 4,800 CPS caseworkers, supervisors, and clerical support staff in the first two years of reform, reducing the number of caseloads each employee was assigned. CPS also implemented the use of tablet PCs for caseworkers allowing them to input case information in the field and saving them time.
- **Improve Services and Child Outcomes:** CPS is focusing more on families and involving them in the case planning process, placing children with family members as much as possible when being removed from their homes. CPS is continuing to identify improvements to disproportionality, which is the over representation of a race or cultural group in a program or system. The agency is also ensuring that school records and some health records follow foster children when their placements change through the Educational Passport initiative and the STAR Health Passport. They are also expanding the Transitional Living Services Initiative which improves services to children who age out of the state's foster care system.
- **Build Community Partnerships:** CPS is working with community organizations to recruit more families for children awaiting adoption and co-locating staff with other community services such as medical facilities, law enforcement facilities, schools, and child advocacy centers to better serve clients.<sup>8</sup>

## Other TANF Programs

### *Alternatives to Abortion*

Passed by the Legislature in 2005, this program provides

funding to encourage childbirth over abortion. This program provides approximately \$5 million per biennium to fund assistance to expectant mothers such as parenting education, health care, housing, and baby supplies.

### *Premarital Education*

In 2007, the Legislature approved \$10 million for the biennium to establish the “Together in Texas” Healthy Marriage program. Recognizing that healthy, two-parent families reduce the incidence of welfare, the program provides marriage education including communication skills, conflict management, and components of a successful marriage. Couples who participate in a state-approved course, have their state marriage license fee waived.

### *Family Violence*

About \$48 million is provided each biennium to provide legal advocacy, medical care, counseling, employment training, and emergency shelter to victims of family violence and their children. These services are available to those who have been physically, emotionally, or sexually abused by a partner, former partner, or another family or household member, and are provided free to victims.<sup>9</sup>

## Analysis

Texas became a national leader in welfare reform when it passed legislation in 1995—prior to Congress passing the *Personal Responsibility and Work Opportunity Act (PRWORA)* in 1996. PRWORA created a reciprocity system requiring welfare recipients to be engaged in work activities and time-limited the receipt of benefits.<sup>10</sup> With the introduction of time-limited benefits and personal responsibility agreements, the state has successfully moved thousands of people off welfare and into the workplace. Because of PRWORA and our own reform efforts, Texas reduced the number of families on welfare by 68 percent between August 1995 and December 2005.

Additionally, the Federal government requires states to have 50 percent of all TANF families participating in work activities and 90 percent of two-parent families participating in work activities. However, TANF recipients are exempt from work requirements under state law if they are the caretaker for an ill or disabled child, or a single parent/caretaker with a child under age one. In addition, TANF recipients are exempt from work under HHSC

rules if they are 18 or younger, an adult unable to work due to a mental or physical disability (lasting more than 180 days), age 60 or older, an adult caring for a disabled adult, a pregnant woman not able to work, or a single grandparent age 50 or older caring for a child under age three.

Texas' 78th Legislature established stricter sanctions for non-compliance with work requirements and the *Personal Responsibility Act*. These included a full-family sanction that terminates the entire family's TANF grant and is not restored until the adult recipient becomes compliant as well as the termination of Medicaid benefits for TANF adults who do not comply with work requirements. From the beginning of applying for cash assistance and throughout delivery of benefits and employment services, Texas TANF recipients receive a consistent message:

- Government assistance is temporary.
- Texans are responsible for the support of themselves and their families.
- Employment is the goal.<sup>11</sup>

The federal government's move to provide TANF funds as a block grant to states has allowed Texas to spread its TANF funds in a fiscally responsible way across a number of programs and state agencies to meet the four main purposes of TANF.

## Recommendations

- Continue legislative initiatives that encourage self-sufficiency and employment.
- Maintain sanctions that enforce requirements related to work, child support, drug and alcohol abuse and other activities that support good parenting.
- Maintain the adult Medicaid sanction for non-compliance with work requirements.
- Ensure that expectations for work participation are clear to recipients and the state alike.
- Review exemptions in state law and in agency rule that exempt TANF clients from engaging in required work activities. One such exemption is for a single parent/caretaker with a child under age one. Reducing the child's age to under three months would replicate the norm for maternity leave in the private sector.
- Remove exemptions that impede the state's ability to engage recipients in work and prepare them for self-sufficiency.★

## Endnotes

- <sup>1</sup> U.S. Department of Health & Human Services, Administration for Children & Families, Office of Family Assistance, Office of Public Affairs Fact Sheet, [http://www.acf.hhs.gov/fact\\_sheet/tanf\\_factsheet.html](http://www.acf.hhs.gov/fact_sheet/tanf_factsheet.html).
- <sup>2</sup> "Top 100 Federal Funding Sources," Texas Legislative Budget Board.
- <sup>3</sup> Texas Department of Family and Protective Services, Fiscal Year 2008 Operating Budget submitted to the Governor's Office of Budget, Policy and Planning and the Texas Legislative Budget Board.
- <sup>4</sup> Texas Workforce Commission, Temporary Assistance for Needy Families Employment and Training, <http://www.twc.state.tx.us/welref/wr-choices.html>; [http://www.dfps.state.tx.us/documents/about/Data\\_Books\\_and\\_Annual\\_Reports/2007/annual\\_report/2007CPS.pdf](http://www.dfps.state.tx.us/documents/about/Data_Books_and_Annual_Reports/2007/annual_report/2007CPS.pdf).
- <sup>5</sup> Texas Workforce Commission, Annual Financial Report for the Year Ended August 31, 2007, <http://www.twc.state.tx.us/news/ar07.pdf>.
- <sup>6</sup> Texas TANF and Food Stamps Enrollment Statistics, [http://www.hhsc.state.tx.us/research/TANF\\_FS.asp](http://www.hhsc.state.tx.us/research/TANF_FS.asp).
- <sup>7</sup> <http://www.hhsc.state.tx.us/programs/TexasWorks/TANF-FAQ.html>.
- <sup>8</sup> Texas Department of Family and Protective Services Annual Report 2007, [http://www.dfps.state.tx.us/documents/about/Data\\_Books\\_and\\_Annual\\_Reports/2007/annual\\_report/2007AnnualReport.pdf](http://www.dfps.state.tx.us/documents/about/Data_Books_and_Annual_Reports/2007/annual_report/2007AnnualReport.pdf).
- <sup>9</sup> <http://www.hhsc.state.tx.us/programs/familyviolence/index.shtml#Services>.
- <sup>10</sup> "Continuing Welfare Reform in Texas," Mary Katherine Stout, Texas Public Policy Foundation (July 2006) <http://texaspolicy.com/pdf/2006-07-PP-welfarereform-mks.pdf>.
- <sup>11</sup> Texas Workforce Commission, Temporary Assistance for Needy Families Employment and Training, <http://www.twc.state.tx.us/welref/wr-choices.html>.



## About the Author

**Arlene Wohlgemuth** is a visiting research fellow at the Texas Public Policy Foundation's Center for Health Care Policy. Prior to joining the Foundation, she served for 10 years as state representative for district 58.

During the 77th legislative session, Wohlgemuth served as chairman of Appropriations Article II Subcommittee (Health and Human Services), vice-chairman of Calendars, CBO for Human Services, and member of the Select Committee for Health Care Expenditures. Wohlgemuth authored HB 2292, the sweeping reform of Health and Human Services which improved service delivery for the recipients and will save taxpayers more than \$3.7B during its first five years. The reform included consolidating twelve HHS agencies into five and is the largest government reform bill ever passed in the state. Organizational changes led to the early discovery of problems within Child and Adult Protective Services. The creation of the Office of Inspector General and the additional authority and funding given to the Office of the Attorney General led to Texas being recognized for fraud prevention/prosecution and was given the nation's top fraud-fighting award last September by the U.S. Department of Health and Human Services.

Wohlgemuth served as president of the Texas Conservative Coalition, chairman of the TCCRI Health and Human Services Task Force, and chairman of the TCCRI State Finance Task Force. She was twice named to *Texas Monthly's* "Ten Best" List.

Wohlgemuth is currently a board member of the Texas Conservative Coalition Research Institute and owner of Three Point Strategies, a lobbying and consulting firm.

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