



Testimony

Senate Bill 1871

Texas Empowerment Account Pilot Program

Testimony Before the Texas Senate Committee on Health and Human Services

By Rod Bordelon, Distinguished Senior Fellow for Regulatory Affairs

Chair Kolkhorst and Members of the Committee:

My name is Rod Bordelon, and I am appearing on behalf of the Texas Public Policy Foundation (TPPF) testifying in support of Senate Bill 1871 relating to the creation of the Texas Empowerment Account Pilot Program to assist recipients of public benefits in achieving greater self-sufficiency.

The pilot program would provide a voluntary alternative to certain government social safety net programs such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). The purpose of the pilot program is to assist low-income families in gaining greater self-sufficiency while administering the same level of temporary assistance they would be eligible for under SNAP or TANF. It is modeled after House Bill 1483 which was unanimously passed by the 86th Legislature in 2019, but which was never implemented. HB 1483 would have provided intensive case management services within the existing SNAP and TANF programs but required a waiver from the federal government which was never obtained due to its use of SNAP funds and its effect on SNAP eligibility criteria.

The pilot program in SB 1871 would not require a waiver as it would not affect SNAP eligibility criteria or use SNAP funds. Instead, it would create a separate program administered by private charitable organizations (Family Service Organizations) selected and overseen by the Texas Comptroller. These charitable organizations would provide case management services to counsel and assist applicants with a broad range of needs, such as employment and financial counseling. Expenditures of benefits are more flexible but are still limited to unrestricted items. As an incentive for striving toward self-sufficiency, work is required for at least one adult member of the eligible family.

The U.S. has spent an estimated \$25 trillion (adjusted for inflation) since the 1960s on more than 80 federal safety net programs to try to end poverty, yet with largely inadequate results. Texas can provide a model for providing necessary temporary relief to needy families, while also assisting these families in obtaining long-term self-sufficiency.

Thank you, and we would be happy to work with your committee on this important topic.

Rod Bordelon is a Distinguished Senior Fellow for Regulatory Affairs at the Texas Public Policy Foundation. He is an attorney and former state regulator with over 30 years of experience in regulatory and legislative affairs. He is an 11-term gubernatorial appointee, former Commissioner of Workers' Compensation, and former Public Insurance Counsel.

