

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/CS/HB 563 Temporary Cash Assistance Program

**SPONSOR(S):** Health & Human Services Committee; Children, Families & Seniors Subcommittee; Gaetz

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 750

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Children, Families & Seniors Subcommittee	8 Y, 4 N, As CS	Langston	Brazzell
2) Health Care Appropriations Subcommittee	9 Y, 2 N	Pridgeon	Pridgeon
3) Health & Human Services Committee	14 Y, 0 N, As CS	Langston	Calamas

### SUMMARY ANALYSIS

Florida's Temporary Cash Assistance (TCA) Program provides cash assistance to low-income families with children that meet eligibility requirements. TCA is either full-family, which involves meeting work requirements, or child-only, through programs such as the Relative Caregiver program which provides cash assistance to certain caregivers of children placed through the dependency system.

The Department of Children and Families (DCF) determines eligibility for the TCA program. To be eligible for the TCA Program, applicants must, among other things, be U.S. citizens or qualified non-citizens, reside in Florida, and be under the income threshold. When calculating eligibility, the earned income of a child who attends high school or the equivalent, and is 19 years of age or younger, is disregarded. While an illegal or ineligible noncitizen may not receive TCA, citizen or eligible noncitizen family members may receive TCA. When determining eligibility for the family members who meet citizenship requirements in a family that also has illegal or ineligible noncitizen members, only a pro-rata share of the illegal or ineligible noncitizen family member's income is counted. TCA recipients must participate in work activities unless they qualify for an exemption. DCF may sanction TCA recipients who fail to meet work activity requirements through the withholding of assistance for a specified time or until compliance, whichever is later. In Florida, TCA and other social welfare benefits are placed on Electronic Benefits Transfer (EBT) cards.

CS/CS/HB 563 specifies that the earned income of a child who attends high school or the equivalent be disregarded only if that child is under the age of 19, rather than 19 years old or younger, which aligns the definition of a "child" with the definition of a "minor child" in s. 414.0252(8), F.S. The bill also requires DCF to count all of a noncitizen's income when determining eligibility, treating the income of citizens and noncitizens who are mandatory family members the same.

Additionally, the bill requires the entities administering TCA to work with the participant to develop strategies on how to overcome any barriers to compliance with the TCA work requirements. They must also inform the participant, in plain language, and have the participant agree, in writing, to: what is expected to receive benefits; under what circumstances the participant would be sanctioned; and potential penalties for noncompliance with work requirements, including how long benefits would not be available.

The bill also increases the penalties for the first three instances of noncompliance with the TCA work requirements to align with the food assistance program's sanctions and creates a fourth sanction. The bill limits child-only TCA to the minimum penalty period for each instance of noncompliance.

The bill also amends the Relative Caregiver program to prohibit payment of TCA to a noncustodial parent who lives with the relative who is caring for the noncustodial parent's child and receiving Relative Caregiver funding.

The bill requires EBT cardholders to pay a fee for the fifth and every subsequent EBT card requested within a 12 months. DCF may deduct the fee from the cardholder's benefits and waive of the fee upon a showing of good cause.

The bill has a significant negative nonrecurring fiscal impact to DCF of \$879,680 and a recurring significant positive fiscal impact of \$325,000 in revenue and \$2,755,970 in reduced TCA expenditures. The bill has no fiscal impact on local governments.

The bill provides an effective date of July 1, 2016.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h0563e.HHSC

**DATE:** 2/12/2016

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Background**

##### Temporary Assistance for Needy Families

Under the federal welfare reform legislation of 1996, the Temporary Assistance for Needy Families (TANF) program replaced the welfare programs known as Aid to Families with Dependent Children, the Job Opportunities and Basic Skills Training program, and the Emergency Assistance program.<sup>1</sup> The law ended federal entitlement to assistance and instead created TANF as a block grant that provides states, territories, and tribes federal funds each year.<sup>2</sup> These funds cover benefits, administrative expenses, and services targeted to needy families.<sup>3</sup> TANF became effective July 1, 1997, and was reauthorized in 2006 by the Deficit Reduction Act of 2005.<sup>4</sup> States receive block grants to operate their individual programs and to accomplish the goals of the TANF program.

##### Florida's Temporary Cash Assistance Program

The Temporary Cash Assistance (TCA) Program provides cash assistance to families with children under the age of 18 or under age 19<sup>5</sup> if full time high school students, that meet the technical, income, and asset requirements. The purpose of the TCA Program is to help families become economically self-supporting so as to require minimal involvement by an efficient government.<sup>6</sup>

##### *Full-Family vs. Child-Only TCA*

Cash assistance is available to two categories of families; those families that are work-eligible and entitled to receive TCA for the full-family, and those families who are entitled to receive child-only TCA.<sup>7</sup> Within the full-family cases, the parent or parents are required to comply with work requirements to receive TCA for the parent(s) and child(ren).<sup>8</sup> Child-only cases are those in which the parent chooses to have his or her needs excluded from the eligibility calculation or is not eligible for cash assistance.<sup>9</sup> The TCA Program also provides child-only TCA to relatives who meet eligibility rules and have custody of a child under age 18 through the Relative Caregiver Program, where the child has been adjudicated dependent has been placed with relatives by the court; these relatives are eligible for a payment that is higher than the typical child-only TCA.<sup>10</sup> In December 2015,.

The majority of cash assistance benefits are provided to child-only cases, through the Relative Caregiver Program or to work-eligible cases where the adult is ineligible due to sanction for failure to meet TCA work requirements. In December 2015, there were 13,836 adults and 70,302 children receiving TCA and 36,478 of the 49,602 families receiving TCA were child-only cases.<sup>11</sup> The 13,124 families receiving TCA through full-family cases containing an adult are subject to work requirements.<sup>12</sup>

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<sup>1</sup> 42 U.S.C. § 601 et seq.; 45 C.F.R. § 260.10 et seq.

<sup>2</sup> 42 U.S.C. § 602.

<sup>3</sup> 42 U.S.C. § 603.

<sup>4</sup> Pub. L. 109-171, s. 7101.

<sup>5</sup> Parents, children and minor siblings who live together must apply together. Additionally, pregnant women may also receive TCA, either in the third trimester of pregnancy if unable to work, or in the 9th month of pregnancy.

<sup>6</sup> S. 414.025(1), F.S.

<sup>7</sup> S. 414.045(1), F.S.

<sup>8</sup> S. 414.045(1)(a), F.S.

<sup>9</sup> S. 414.045(1)(b), F.S. Child-only families also include situations where a parent is receiving federal Supplemental Security Income (SSI) payments and situations where the parent is not a U.S. citizen and is ineligible due to their immigration status. Grandparents or other relatives receiving child-only payments are not subject to the TANF work requirement or the TANF time limit.

<sup>10</sup> S. 39.5085, F.S.

<sup>11</sup> Department of Children and Families, *Monthly Flash Report Caseload Data: December 2015*, <http://eww.dcf.state.fl.us/ess/reports/docs/flash2005.xlsx> (last visited February 10, 2016).

<sup>12</sup> *Id.*

## Administration

Various state agencies and entities work together through a series of contracts or memorandums of understanding to administer the TCA Program. The Department of Children and Families (DCF) is the recipient of the federal TANF block grant.<sup>13</sup> DCF also determines eligibility and disperses benefits.<sup>14</sup> CareerSource Florida is the state's workforce policy and investment board that has planning and oversight responsibilities for all workforce-related programs.<sup>15</sup> The Department of Economic Opportunity (DEO) is the designated agency for workforce programs, funding and personnel, and implements the policy created by CareerSource.<sup>16</sup> DEO is responsible for financial and performance reports ensuring compliance with federal and state measures and provides training and technical assistance to regional workforce boards (RWBs)<sup>17</sup>. RWBs provide a coordinated and comprehensive delivery of local workforce services.<sup>18</sup> The RWBs focus on strategic planning, policy development and oversight of the local workforce investment system within their respective areas and contract with one-stop career centers.<sup>19</sup> The contracts with the RWBs are performance- and incentive-based.<sup>20</sup>

## Eligibility Determination

A person must meet all eligibility requirements to receive TCA benefits. DCF processes the initial application for TCA. The application may be submitted in person, online or through the mail.<sup>21</sup> To be eligible for the TCA Program applicants must, among other things:

- Be U.S. citizens or qualified non-citizens;<sup>22</sup>
- Reside in Florida;
- Have a gross income of less than 185% of the Federal Poverty Level (FPL);<sup>23</sup> and
- Have a countable income that is not higher than the payment standard for the family size.<sup>24</sup>

The earned income of a child who attends high school or the equivalent, and is 19 years of age and younger, is disregarded.<sup>25</sup> However, the TCA program statute defines a minor child as an unmarried child under 18 years of age, or under 19 years of age if the child is a full-time student in a high school or the equivalent.<sup>26</sup>

The total income of U.S. citizens is counted in determining a family's eligibility.<sup>27</sup> Ineligible noncitizens<sup>28</sup> may not receive benefits; however, their family members who meet the citizenship requirement may be eligible. When determining eligibility for those family members who meet citizenship requirements, only a pro-rata share of the illegal or ineligible noncitizen family member's income is counted toward the total household income.<sup>29</sup>

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<sup>13</sup> Department of Children and Families Economic Self-Sufficiency Program Office, *Temporary Assistance for Needy Families State Plan Renewal October 1, 2014 – September 30, 2017*, Nov. 14, 2014, p. 5, available at [www.dcf.state.fl.us/programs/access/docs/TANF-Plan.pdf](http://www.dcf.state.fl.us/programs/access/docs/TANF-Plan.pdf) (last visited February 10, 2016).

<sup>14</sup> Rule 65A-1.205(2)-(3), F.A.C

<sup>15</sup> *Supra*, note 13.

<sup>16</sup> S. 445.007(13), F.S.

<sup>17</sup> *Supra*, note 13.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> Rule 65A-1.205(1), F.A.C

<sup>22</sup> S. 414.095(3), F.S. A qualified noncitizen includes an individual who is admitted to the United States as a refugee or who is granted asylum, a Cuban or Haitian entrant, or a noncitizen who has been admitted as a permanent resident. It also includes an individual who, or an individual whose child or parent, has been battered or subject to extreme cruelty in the United States by a spouse, a parent, or other household member, and has applied for or received protection under the federal Violence Against Women Act, if certain criteria are met.

<sup>23</sup> For 2016, 185% of the FPL for a family of two is \$ 29,637 (or \$ 2,469.75 per month); for a family four it is \$ 44,955 (or \$ 3,746.25 per month).

<sup>24</sup> S. 414.095, F.S.

<sup>25</sup> S. 414.095(11)(b), F.S.

<sup>26</sup> S. 414.0252(8), F.S.

<sup>27</sup> S. 414.085, F.S.

<sup>28</sup> S. 414.095(3), F.S. Ineligible noncitizens include nonimmigrant noncitizens, including tourists, business visitors, foreign students, exchange visitors, temporary workers, and diplomats.

<sup>29</sup> S. 414.095(3)(d), F.S.

## Work Requirements

Individuals receiving TCA who are not otherwise exempt from work activity requirements must participate in work activities for the maximum number of hours allowable under federal law.<sup>30</sup> The number of required work or activities hours is determined by calculating the value of the cash benefits and then dividing that number by the hourly minimum wage amount. Federal law requires individuals to participate in work activities for at least:

- 20 hours per week, or attend at a secondary school or the equivalent or participate in education directly related to employment if under the age of 20 and married or single head-of-household.
- 20 hours per week for single parents with a child under the age of six.
- 30 hours per week for all other single parents.
- 35 hours per week, combined, for two-parent families not receiving subsidized child care.
- 55 hours per week, combined, for two-parent families receiving subsidized child care..

Pursuant to federal rule<sup>31</sup> and state law,<sup>32</sup> the following activities may be used individually or in combination to satisfy the work requirements for a participant in the TCA program:

- Unsubsidized employment.
- Subsidized private sector employment.
- Subsidized public sector employment.
- On-the-job training.
- Community service programs.
- Work experience.
- Job search and job readiness assistance.
- Vocational educational training.
- Job skills training directly related to employment.
- Education directly related to employment.
- Attendance at school or course of study for graduate equivalency diploma.
- Providing child care services.<sup>33</sup>

If no exemptions from work requirements apply, DCF refers the participant to DEO.<sup>34</sup> Upon referral to DEO, the participant must complete an in-take application and undergo assessment by RWB staff that includes:

- Identifying barriers to employment.
- Identifying the participant's skills that will translate into employment and training opportunities.
- Reviewing the participant's work history
- Identifying whether a participant needs alternative requirements due to domestic violence, substance abuse, medical problems, mental health issues, hidden disabilities, learning disabilities or other problems that prevent the participant from engaging in full-time employment or activities.

Once the assessment is complete, the staff member and participant create the Individual Responsibility Plan that includes:

- The participant's employment goal;
- The participant's assigned activities;
- Services provided through program partners, community agencies and the workforce system;

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<sup>30</sup> S. 445.024(2), F.S.

<sup>31</sup> 45 C.F.R. § 261.30

<sup>32</sup> S. 445.024, F.S.

<sup>33</sup> S. 445.024(1)(a)-(l), F.S.

<sup>34</sup> This is an electronic referral through a system interface between DCF's computer system and DEO's computer system. Once the referral has been entered into the DEO system the information may be accessed by any of the RWBs or One-Stop Career Centers.

- The weekly number of hours the participant is expected to complete; and
- Completion dates and deadlines for particular activities.

DCF does not disperse any benefits to the participant until DEO or the RWB confirms that the participant has registered and attended orientation.

### *Sanctions for Noncompliance*

RWBs can sanction TANF recipients who fail to comply with the work requirements by withholding cash assistance for a specified time, which lengthens with repeated lack of compliance. The participant's noncompliance can result in sanctions, as follows:

- First noncompliance - cash assistance is terminated for the full-family for a minimum of 10 days or until the individual complies.
- Second noncompliance - cash assistance is terminated for the full-family for one month or until the individual complies, whichever is later.
- Third noncompliance - cash assistance is terminated for the full-family for three months or until the individual complies, whichever is later.

For the second and subsequent instances of noncompliance, the TCA for the child or children in a family who are under age 16 may be continued (i.e. the case becomes a child-only case). Any such payments must be made through a protective payee and under no circumstances may temporary cash assistance or food assistance be paid to an individual who has not complied with program requirements.<sup>35</sup> Data from 2014 indicates only six percent of those who regain eligibility after sanction do so via a child-only case.<sup>36</sup>

However, if a participant who was previously sanctioned fully complies with work activity requirements for at least six months, the participant must be reinstated as being in full compliance with program requirements for purpose of sanctions imposed under this section.<sup>37</sup> Once the participant has been reinstated, a subsequent instance of noncompliance would be treated as the first violation.

The Food Assistance Program, formerly called food stamps, also contains similar sanctions for failure to comply with its Employment and Training Program when receiving benefits. However, the Food Assistance Program sanctions are a longer duration. For the first instance of noncompliance, food assistance benefits are terminated for one month or until compliance, whichever is later; for the second instance, food assistance benefits are terminated for three months or until compliance, whichever is later; and for the third instance, food assistance benefits are terminated for six months or until compliance, whichever is longer.<sup>38</sup>

In Fiscal Year (FY) 2014-2015, the number of TCA families sanctioned for noncompliance with the work requirements breaks down as follows:

- 993 families were sanctioned for a first instance of noncompliance; of those families, only 193 families, or 19.4 percent, complied with work requirements to be reinstated in the program.<sup>39</sup>
- 466 families were sanctioned for a second instance of noncompliance; of those families, only 49 families, or 10.5 percent, complied with the work requirements to be reinstated in the program.<sup>40</sup>
- 489 families were sanctioned for a third instance of noncompliance; of those families, only 47 families, or 9.6 percent, complied with the work requirements to be reinstated in the program.<sup>41</sup>

<sup>35</sup> S 414.065(2), F.S.

<sup>36</sup> Id.

<sup>37</sup> S. 414.065(1), F.S.

<sup>38</sup> Rule 65A-1.605(3), F.A.C.

<sup>39</sup> Email from Nicole Stookey, Deputy Director, Office of Legislative Affairs, Department of Children and Families, RE: TANF Follow-Up Questions (Nov. 30, 2015) (On file with Health and Human Services Committee staff).

<sup>40</sup> Id.

<sup>41</sup> Id.

## *Relative Caregiver Program*

The Relative Caregiver Program provides one type of child-only TCA to individuals who meet eligibility rules and have custody of a relative child under age 18 who has been court ordered dependent by a Florida court and placed in their home by a DCF Child Welfare/Community Based Care contracted provider.<sup>42</sup> The intent of the Relative Caregiver Program is to provide relative caregivers who could not otherwise afford to take the child into their homes a means to avoid exposing the child to the trauma of shelter or foster care.

Payments under the Relative Caregiver Program are based on the child's age and any countable income.<sup>43</sup> DCF ceases to provide child-only Relative Caregiver Program benefits when the parent or step-parent resides in the home with the relative caregiver and the child. Based on the requirement in s. 414.095(2)(a)5., F.S., that parents who live with their minor children to be included in the eligibility determination and households containing a parent are considered work-eligible households. Through rule 65C-28.008(2)(d), F.A.C., DCF terminates payments through the Relative Caregiver Program if the parent is in the home for 30 consecutive days.<sup>44</sup> However, at least one court has ruled that caregivers may continue to receive the Relative Caregiver Program payments while the parent resides in the home because the prohibition against the parent residing in the home is not in statute and DCF rules cannot be used to establish an eligibility guideline not included in the statute. Court orders in such cases result in DCF being required to make expenditures that are disallowed under the federal TANF block grant.<sup>45</sup>

### Electronic Benefits Transfer (EBT) Card Program

Electronic Benefits Transfer (EBT) is an electronic system that allows a recipient to authorize transfer of their government benefits, including from the TCA and Food Assistance Programs, to a retailer account to pay for products received.<sup>46</sup> The EBT card program is administered on the federal level by the Food and Nutrition Service (FNS) within the U.S. Department of Agriculture and at the state level by DCF. In Florida, benefits are deposited into a TCA or Food Assistance Program account each month; the benefits in the accounts are accessed using the Florida EBT Automated Community Connection to Economic Self Sufficiency (ACCESS) card.<sup>47</sup> Even though the EBT card is issued in the name of an applicant, any eligible member of the household is allowed to use the EBT card.<sup>48</sup> Additionally, recipients may designate an authorized representative as a secondary cardholder who can receive an EBT card and access the food assistance account. Authorized representatives are often someone responsible for caring for the recipient. The ACCESS Florida system allows recipients to designate one authorized representative per household.

### *Replacement of EBT Cards*

When a recipient loses his or her EBT card, he or she must call the EBT vendor to request a replacement EBT card.<sup>49</sup> The vendor then deactivates the card, and sends the household a new card.<sup>50</sup> Federal regulations allow recipients to request an unlimited number of replacement EBT cards.<sup>51</sup> While states cannot limit the number of replacement cards, frequent requests for replacement cards can be an indicator of EBT card fraud, such as trafficking, which occurs when an EBT card

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<sup>42</sup> S. 39.5085(2), F.S.

<sup>43</sup> Rule 65C-28.008(2)(g), F.A.C.

<sup>44</sup> However, a relative may receive the RCP payment for a minor parent who is in his or her care, as well as for that minor parent's child, if both children have been adjudicated dependent and meet all other eligibility requirements.

<sup>45</sup> Department of Children and Families, *Agency Bill Analysis for 2016 House Bill 1299*, p. 4 (Jan. 12, 2016) (On file with Health and Human Services Committee Staff).

<sup>46</sup> U.S. Department of Agriculture, Food and Nutrition Services, *EBT: General Electronic Benefit Transfer (EBT) Information*, <http://www.fns.usda.gov/ebt/general-electronic-benefit-transfer-ebt-information> (last visited February 10, 2016).

<sup>47</sup> Department of Children and Families, *Welcome to EBT*, <http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash/welcome-ebt> (last visited February 10, 2016).

<sup>48</sup> 7 C.F.R. § 273.2(n)(3).

<sup>49</sup> The Florida Legislature's Office of Program Policy Analysis & Government Accountability, *Supplemental Nutrition Assistance Program: DCF Has Mechanisms in Place to Facilitate Eligibility, Verify Participant Identity, and Monitor Benefit Use*, Dec. 3, 2015, p. 8 (research memorandum on file with Health and Human Services Committee staff)

<sup>50</sup> Id.

<sup>51</sup> 7 C.F.R. § 276.4

containing benefits is exchanged for cash. FNS and DCF consider multiple replacement cards a preliminary indicator of trafficking.

FNS aims to preserve food assistance access for vulnerable populations (e.g., mentally ill and homeless people) who are at risk of losing their cards but who are not committing fraud,<sup>52</sup> while preventing others from trafficking and replacing their EBT cards. In the interest of preventing fraud, FNS regulations require states to monitor all client requests for EBT card replacements and send a notice upon the fourth request in a 12-month period alerting the household that the account is being monitored for potential suspicious activity.<sup>53</sup> In Fiscal Year 2014-15, DCF sent 13,967 letters to households that had requested four or more cards.<sup>54</sup> The letter informs the recipient that the card does not need to be replaced each month and that it is important to keep track of the card.<sup>55</sup> The letter also informs the recipient that this number of replacement requests is not normal and that the household's EBT behavior is being monitored.<sup>56</sup> Additionally, in Fiscal Year 2014-15, less than one-third of the households who requested four cards (4,653 households) requested yet another replacement card after receiving the letter, and the DCF Office of Public Benefits Integrity referred these cases for potential fraud investigation.<sup>57</sup>

Federal regulations allow states to charge recipients for the cost to replace an excessive<sup>58</sup> number of cards. FNS allows states to charge for the cost of the EBT card after four replaced cards. Under DCF's EBT contract, the vendor reports that replacements costs \$3.50 per card.<sup>59</sup> A number of other states charge fees for replacement cards from \$2.00 to \$5.00 per replacement card with some exceptions for good cause or financial hardship.<sup>60</sup>

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<sup>52</sup> 7 C.F.R. § 274.6(b)(5)(iii).

<sup>53</sup> 7 C.F.R. § 274.6(b)(6); In Florida, after the EBT vendor provides a fourth replacement card to a household within a 12-month span, DCF sends a letter to the household.

<sup>54</sup> *Supra*, note 49.

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> Defined by federal regulation as in excess of four cards within a 12-month span. 7 C.F.R. § 276.4

<sup>59</sup> *Supra*, note 49.

<sup>60</sup> By way of example, Louisiana and Maryland charge \$2.00, New Mexico charges \$2.50, and Massachusetts charges \$5.00. Additionally, Massachusetts does not impose a fee if the EBT card was lost in the mail and never arrived, if the card ceases to work through no fault of the recipient, if the department issues replacement cards on its own initiative, or other good cause exceptions.

Mass. Gen. Laws ch. 18, § 2 (B)(i)

## Effect of the Bill

### Temporary Cash Assistance Program

#### *Eligibility Determination*

CS/CS/HB 563 amends s. 414.095(11)(b), F.S., to require DCF to disregard the earned income of a child who attends high school or the equivalent if that child is under the age of 19, rather than 19 years old or younger. This change aligns the definition of a “child” with the definition of a “minor child” in s. 414.0252(8), F.S.

The bill also amends s. 414.095(3)(d), F.S., to count all of a noncitizen’s income, not only a pro-rata share, in calculating household income to determine eligibility. The income of U.S. citizens and noncitizens (legal, ineligible, or illegal) who are mandatory family members would be treated equally and this would increase some families’ countable income. Families where the increase in considered income places them above the threshold for receiving benefits would no longer be eligible and would stop receiving TCA benefits. This change will affect an estimated 149 households per month.<sup>61</sup>

#### *Work Requirements*

The bill requires that, prior to receipt of TCA, DEO, DCF, or CareerSource must inform the participant, in plain language, and have the participant agree to, in writing:

- What is expected of the applicant to continue to receive benefits;
- Under what circumstances the applicant would be sanctioned; and
- Potential penalties for noncompliance with work requirements, including how long benefits would not be available to the applicant.

The bill also requires that, prior to receipt of TCA, DEO, DCF, or CareerSource must work with the participant to develop strategies on how to overcome barriers to compliance with the TCA work requirements that the recipient faces.

#### *Sanctions for Noncompliance*

CS/HB 1299 increases the sanctions for TCA recipients who are subjected to the work requirements for the first three instances of noncompliance and creates a sanction for the fourth instance of noncompliance. The bill amends s. 414.065(1) and (2), F.S., to:

- Increase the first sanction from 10 days to one month; this sanction remains full-family.
- Increase the second sanction from one month or until compliance, whichever is later, to three months or until compliance, whichever is later; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first three months of the sanction period even if participant takes longer to comply.
- Increase the third sanction from three months or until compliance, whichever is later, to six months or until compliance, whichever is later; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first six months of the sanction period even if participant takes longer to comply.
- Create a fourth sanction of twelve months or until compliance, whichever is later, and that the individual must reapply to the program to resume receiving benefits; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first twelve months of the sanction period even if participant takes longer to comply.

The bill aligns the sanctions for the first through third occurrences of noncompliance with TCA work requirements with the sanctions for noncompliance with the Food Assistance Program’s Employment

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<sup>61</sup> Department of Children and Families, *Agency Analysis of 2016 Committee Substitute for House Bill 563*, January 28, 2016 (on file with Health and Human Services Committee staff).



and Training Program. When a participant is sanctioned, the bill requires DCF to refer him or her to appropriate free and low-cost community services, including food banks. Additionally, the bill clarifies that participants may comply with the work activity requirements before the end of the minimum penalty period.

### *Relative Caregiver Program*

The bill amends s. 39.5085, F.S., to clarify that a caregiver may not receive payment through the Relative Caregiver Program if the parent or step-parent resides in the home with his or her child. Section 414.095(2)(a)5., F.S., requires parents and step-parents who live with their minor children to be included for eligibility determination and TCA regulations that define households containing a parent as a “work eligible” household.

### EBT Cards

The bill requires EBT cardholders to pay a fee for the fifth and all subsequent EBT replacement cards requested within a 12-month span. DCF currently sends a letter with the fourth replacement card informing the cardholder that his or her case is being monitored for potential trafficking activity. By charging the fee beginning with the fifth card, DCF may inform the cardholder in the letter that it sends with the fourth replacement card about replacement fees for subsequent new cards. The bill allows DCF to deduct the fee from the cardholder’s benefits and provides for a waiver of the fee upon a showing of good cause, such as that the card malfunctioned or the fee would cause extreme financial hardship.

The bill provides an effective date of July 1, 2016.

#### B. SECTION DIRECTORY:

**Section 1:** Amends s. 39.5085, F.S., relating to the Relative Caregiver Program.

**Section 2:** Amends s. 402.82, F.S., relating to the electronic benefits transfer program.

**Section 3:** Amends s. 414.065, F.S., relating to noncompliance with work requirements.

**Section 4:** Amends s. 414.095, F.S., relating to determining eligibility for temporary cash assistance.

**Section 5:** Amends s. 445.024, F.S., relating to work requirements.

**Section 6:** Reenacts s. 414.045, F.S., relating to the cash assistance program.

**Section 7:** Provides an effective date of July 1, 2016.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

The estimated revenue from EBT card replacement fees are \$325,000, based on a \$5.00 per card cost for 65,000 cards.<sup>62</sup>

##### 2. Expenditures:

The bill will reduce annual TCA expenditures through reduced payments to households that contain an illegal or ineligible noncitizen with income. DCF estimates 149 households per month would be impacted by this change. The estimated savings from this change is \$239,518, annually.<sup>63</sup>

The bill also reduces annual expenditures for DCF through increased TCA work penalty periods; the total estimated annual savings from all work penalty period increases is \$2,516,452.<sup>64</sup>

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<sup>62</sup> *Supra* note 45 at p. 4.

<sup>63</sup> *Supra* note 61.

<sup>64</sup> *Supra* note 45 at p. 6.

DCF's EBT vendor estimates a cost of \$105,280 to complete necessary system programming to implement the EBT replacement card provisions in the bill.<sup>65</sup> DCF estimates a cost of \$774,400 to create a new fourth level TCA work sanction and implement new EBT card replacement provisions.<sup>66</sup>

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Approximately 149 households each month will no longer be eligible to receive TCA as a result of the changes to the non-citizen income calculations.

DCF may charge the costs of replacement cards against an EBT cardholder's benefits. The cardholder's benefits will be reduced by the cost to replace his or her EBT card.

**D. FISCAL COMMENTS:**

The Social Service Estimating Conference pursuant to s. 216.136, F.S., determines the annual need and forecasted expenditures for the TCA program.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On January 20, 2016, the Children, Families, and Seniors Subcommittee adopted an amendment that narrowed the scope of the bill to focus solely on the eligibility determination, and what income is counted, for TCA. The bill was reported favorably as a committee substitute.

On February 9, 2016, the Health and Human Services Committee adopted an amendment that

- Increased the length of TCA sanctions for the first through third instances of failure to comply with work requirements which aligns these TCA sanctions with the length of sanction in the Food Assistance Program.

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<sup>65</sup> Id. at p. 7.

<sup>66</sup> Id.

- Created a fourth level sanction for failure to comply with the TCA work requirements.
- Limited the time for which a family can receive child-only TCA during sanction to the minimum penalty period for each level of sanction.
- Required TCA participants to be clearly informed about, and agree to in writing, what is required for them to receive TCA and how to address barriers to compliance.
- Clarified that TCA is not available under the Relative Caregiver Program if the parent or stepparent of the child who is in the Relative Caregiver Program resides in the home with the relative caregiver.
- Required payment of a card replacement fee for electronic benefit transfer (EBT) cards if five or more replacement EBT cards are requested within 12 months.

The bill was reported favorably as a committee substitute. The analysis is drafted to the committee substitute as passed by the Health and Human Services Committee.