

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Health and Human Services

BILL: PCS/CS/SB 750 (743014)

INTRODUCER: Appropriations Subcommittee on Health and Human Services; Children, Families, and Elder Affairs Committee; and Senators Hutson and Bean

SUBJECT: Temporary Cash Assistance Program

DATE: February 26, 2016 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------------|----------------|------------|--------------------------|
| 1. | <u>Hendon</u> | <u>Hendon</u> | <u>CF</u> | <u>Fav/CS</u> |
| 2. | <u>Brown</u> | <u>Pigott</u> | <u>AHS</u> | <u>Recommend: Fav/CS</u> |
| 3. | _____ | _____ | <u>AP</u> | _____ |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/CS/SB 750 makes changes to the state's main economic assistance program for families in poverty, Temporary Assistance for Needy Families (TANF), administered by the Department of Children and Families (DCF). The program supports families in poverty by providing cash assistance. The bill changes the way income from noncitizen parents is counted in determining eligibility.

The bill is estimated to have a positive fiscal impact to the state.

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

II. Present Situation:

The TANF is a block grant that provides federal funding to states for a wide range of benefits and activities to support needy families. It is best known for providing cash assistance to needy families with children. The TANF program was created in the 1996 welfare reform law as part of the Personal Responsibility and Work Opportunity Reconciliation Act.¹ In Florida, the 1996 Legislature passed the Work and Gain Economic Self-Sufficiency Act in anticipation of passage of federal welfare reform.

¹ Temporary Assistance for Needy Families, An Overview of Program Requirements. January 2016. Department of Children and Families, see <http://www.dcf.state.fl.us/programs/access/docs/TANF%20101%20final.pdf> (last visited Feb. 18, 2016).

The purpose of TANF is to:

- Provide assistance to needy families with children so that they can live in their own home or the homes of relatives;
- End the dependency of needy parents on government benefits through work, job preparation, and marriage;
- Reduce the incidence of out-of-wedlock pregnancies; and
- Promote the formation and maintenance of two-parent families.²

Eligibility

Florida law specifies two major categories of families that are eligible for TANF cash assistance: families that are work-eligible and those with child-only cases.³ While many of the basic eligibility requirements apply to both of these categories, there are some distinctions in terms of requirements and restrictions.

Work-Eligible Cases

Within TANF work-eligible cases, there are single-parent families and two-parent families. Single-parent families can receive cash assistance for the parent and the children. The parent is subject to all of the financial and non-financial requirements described below, including the work requirements and time limits. Single parents with a child under age six are required to meet the participation rate with 20 hours of work participation per week.

Two-parent families with children are eligible on the same basis as single-parent families except the work requirement for two-parent families includes a higher number of hours of participation per week (35 hours, or 55 hours if child care is subsidized) than what is required for single-parent families (30 hours).

Child-Only Cases

There are two types of child-only TANF cases. The first is where the child is living with a relative or situations where a custodial parent is not eligible to be included in the eligibility group.⁴ In the majority of situations, the child is living with a grandparent or other relative. 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 immigration status. Grandparents or other relatives receiving child-only payments are not subject to the TANF work requirement or the TANF time limit.

The second type of child-only TANF case is called the relative caregiver case, in which the child has been adjudicated dependent due to the original parents' inability to care for the child and the

² U.S. Department of Health and Human Services, see <http://www.acf.hhs.gov/programs/ofa/programs/tanf/about> (last visited Dec. 18, 2015).

³ Section 414.045(1), Florida Statutes.

⁴ Department of Children and Families, *Temporary Assistance for Needy Families, An Overview of Program Requirements*, June 2015, available at <http://www.dcf.state.fl.us/programs/access/docs/TANF%20101%20final.pdf> (last visited Dec. 18, 2015).

child has been placed with relatives by a court. These relatives are eligible for a payment that is higher than the typical child-only payment but less than the payment for licensed foster care. As with other child-only families, grandparents or relatives receiving relative caregiver payments are not subject to the TANF work requirements or time limits.

To be eligible for TANF, families must meet both financial and non-financial requirements established in state law. In general, families must include a child (or a pregnant woman) and be residents of Florida. Children under age 5 must be current with childhood immunizations, and children age 6 to 18 must attend school and their parents or caretakers must participate in school conferences. Countable assets must be \$2,000 or less, and licensed vehicles needed for individuals subject to the work requirement may not exceed \$8,500.⁵

Noncitizens

Florida law currently excludes a pro-rata share of the income from a parent who is an “illegal noncitizen or ineligible noncitizen.”⁶ This means that a portion of the income that an illegal noncitizen parent contributes to the family is not counted toward the family’s income for TANF eligibility.

Work requirements

Adults in families receiving cash assistance must work or participate in work-related activities for a specified number of hours per week, depending on the number of work-eligible adults in the family and the age of children.⁷

| Type of Family | Work participation Hours Required |
|--|---|
| Other single parent families or two-parent families where one parent is disabled | 30 hours weekly with at least 20 hours in core activities |
| Married teen or teen head of household under age 20 | Maintains satisfactory attendance at secondary school or the equivalent or participates in education related to employment for at least 20 hours weekly |
| Two-parent families who do not receive subsidized child care | 35 hours per week (total among both parents) with at least 30 hours in core activities |
| Two-parent families who receive subsidized child care | 55 hours per week with at least 50 hours in core activities |

Federal law includes 12 work activities, nine of which are “core” activities in that they may be used to satisfy any of the average weekly participation requirements and three of which are “supplemental” in that they may only be used to satisfy the work activity requirement after the “core” requirement is met.

Core activities include:

- Unsubsidized employment;
- Subsidized private sector employment;

⁵ *Id.*

⁶ Section 414.095(3)(d), F.S.

⁷ *Id.*

- Subsidized public sector employment;
- Job search and job readiness (limited to not more than six weeks in a federal fiscal year with not more than four weeks consecutive);
- Community service;
- Work experience;
- On-the-job training;
- Vocational educational training (limited to 12 months for an individual); and
- Caring for a child of a recipient in community service.⁸

Supplemental Activities include:

- Job skills training directly related to employment;
- Education directly related to employment (for those without a high school or equivalent degree); and
- Completion of a secondary school program.⁹

The DCF works with CareerSource Florida, Inc., which is Florida’s statewide workforce policy board, and local workforce development boards, to serve the families defined as work-eligible. Local workforce boards assist clients with employment training and securing employment. The boards also document whether clients meet the work requirements under TANF and report this information to the DCF. If a client does not meet his or her work requirements, the DCF will sanction the client by reducing or eliminating cash assistance.

Amount of Assistance

The amount of temporary cash assistance received by a family depends on family size and whether the family must pay for housing each month. The following monthly amounts are specified in s. 414.095(10), F.S.

| Family Size | Amount If There Is No Obligation to Pay for Shelter | Amount If Shelter Costs Are Less than \$50 | Amount If Shelter Costs Are Greater than \$50 |
|-------------|---|--|---|
| 1 | \$95 | \$153 | \$180 |
| 2 | \$158 | \$205 | \$241 |
| 3 | \$198 | \$258 | \$303 |
| 4 | \$254 | \$309 | \$364 |
| 5 | \$289 | \$362 | \$426 |

Time Limits

Federal law restricts receipt of federal TANF benefits to not more than 60 months of assistance. States may exempt up to 20 percent of the caseload from the time limit due to state-defined hardship. Florida law limits receipt of assistance to not more than 48 cumulative months of assistance with exemptions to the time limit provided for hardships.

⁸ Id

⁹ Id

III. Effect of Proposed Changes:

Section 1 amends s. 414.095, F.S., to make changes to the eligibility standards for TANF. The bill deletes the requirement that the DCF pro-rate a share of income provided by a parent that is an illegal noncitizen or an ineligible noncitizen in determining family income eligibility for TANF, applicable to new TANF applicants or to persons reapplying for TANF benefits. This would allow the DCF to consider the total family income regardless of whether one parent is a noncitizen but will not be applied to persons and families currently receiving TANF benefits. The bill also clarifies the age for children whose income is not included in the family income for eligibility for TANF if they are students under the age of 19. This matches the definition in s. 414.0252(8), F.S.

Section 2 reenacts s. 445.045, F.S., relating to TANF, to incorporate the bill's amendments to s. 414.095, F.S.

Section 3 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Fewer families would be eligible for Temporary Assistance for Needy Families (TANF) under PCS/CS/SB 750.

C. Government Sector Impact:

The bill would have a positive fiscal impact on the state due to fewer clients receiving TANF benefits. For CS/SB 750, the Department of Children and Families (DCF) estimated that, considering all the income of noncitizen parents in determining TANF eligibility, the bill would reduce program costs by \$239,518 in recurring general

revenue.¹⁰ Under the PCS, the cost savings would likely be somewhat less than the original estimate by an unknown amount.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 414.095, 414.105, and 445.024.

This bill reenacts the following sections of the Florida Statutes: 414.045, 414.065, and 445.051.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS/CS by Appropriations Subcommittee on Health and Human Services on February 24, 2016:

The proposed CS applies the bill's new TANF eligibility criteria to new applicants and to persons reapplying for TANF benefits, not to persons currently receiving benefits.

CS by Children, Families, and Elder Affairs on February 17, 2016:

- The committee substitute removes language that would have required TANF participants to apply for three jobs prior to receiving benefits.
- The committee substitute removes language that would have reduced the lifetime limit on the number of months of TANF benefits from 48 to 30.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

¹⁰ Department of Children and Families Bill Analysis for SB 750, dated Nov. 5, 2015. On file with the Senate Committee on Children, Families, and Elder Affairs.