



# House Committee on Human Services

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Albert Hawkins, Executive Commissioner

February 10, 2005



# HHS Consolidation Update

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## Agency Consolidation Guiding Principles

- Focus on service delivery.
- Foster direct management accountability.
- Reorganize around common service delivery.
- Promote integration and consistency.
- Achieve administrative support efficiencies.

## 12 HHS agencies consolidated into 5.

- **Department of Family and Protective Services (DFPS)**
  - Created February 1, 2004
- **Department of Assistive and Rehabilitative Services (DARS)**
  - Created March 1, 2004
- **Department of Aging and Disability Services (DADS)**
  - Created September 1, 2004
- **Department of State Health Services (DSHS)**
  - Created September 1, 2004
- **Health and Human Services Commission (HHSC)**
  - Consolidation completed September 1, 2004

## Transition accomplishments:

- Realignment and transfer of 46,000 employees to new agencies
- Created 5 new organizational structures
- Maintained all client service delivery functions
- Re-established Federal Cost Allocation Plan for approximately 100 different Federal funding streams
- Completes major H.B. 2292 restructuring

## **Transition accomplishments (cont.):**

- Implemented Consolidated Financial Management and Human Resource Management System (HHSAS)
  - Standardized system for all five agencies
  - Over 10,000 contracts transferred between agencies
  - Nearly 2,000 contracts entered into HHSAS for payment by end of the month

**Consolidation of administrative and support services at HHSC eliminates redundancy, achieves economies of scale, and improves coordination.**

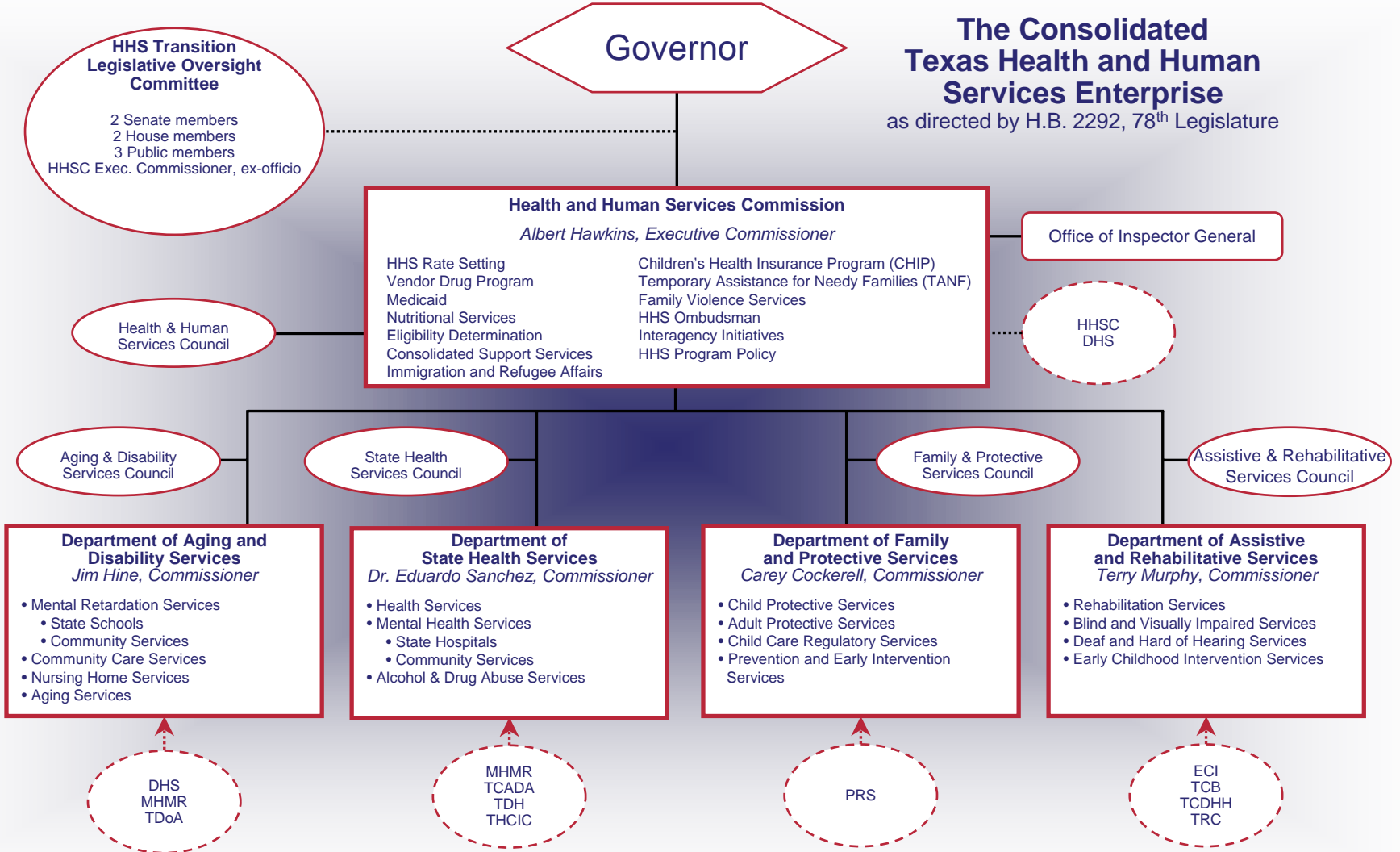
## **Support functions consolidated at HHSC**

- Human Resources
- Administrative Procurement/Contracting
- Office of Inspector General
- Strategic Planning
- Civil Rights
- Leasing and Facilities Management

## **Partially consolidated functions**

- Financial Services
- Legal Services
- Information Technology
- Ombudsman

# HHS Consolidation Update



 Agencies formerly providing programs





**TEXAS**

Health and Human  
Services Commission

# Office of Social Services Overview

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## Programs

- **Temporary Assistance for Needy Families (TANF)** - Provides time-limited cash assistance to needy dependent children and the parents or relatives with whom they are living.
- **Food Stamps** - An entitlement program that provides a monthly benefit to qualified applicants.
- **Family Violence** - Provides emergency shelter and support services, and education, training and public information.
- **Refugee** - Provides cash and medical assistance as well as social services to refugee families and individuals eligible for refugee services.
- **Special Nutrition Programs (SNP)** - Provides food and cash reimbursement for nutrition services in schools, residential childcare institutions, day care facilities and food banks.

# TANF - Program History

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- The Temporary Assistance for Needy Families (TANF) program evolved from Aid to Families with Dependent Children (AFDC)
- Texas Welfare Reform
  - In 1995, the Texas legislature passed H.B.1863 which established:
    - A personal responsibility agreement; benefit time limits; transitional Medicaid and child care; child support enforcement.
  - Texas sought a waiver from the federal government to implement H.B.1863.
  - The waiver was approved in March 1996, and Texas began implementing parts of the law in June 1996.

## Federal Welfare Reform

- The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the TANF block grant, and:
  - Ended the entitlement nature of program.
  - Established wide flexibility for states to develop and implement their own welfare programs.

## PRWORA established four major goals:

- Assisting needy families so that children can be cared for in their own homes;
- Reducing the dependency of needy parents by promoting job preparation, work, and marriage;
- Preventing out-of-wedlock pregnancies; and
- Encouraging the formation and maintenance of two-parent families.

# Administration of TANF

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## **Both the Federal and State governments have a role in the design and funding of the TANF program:**

- At the federal level, the U.S. Department of Health and Human Services, Administration for Children and Families (ACF) regulates the program.
- In Texas, administration of the program is shared between the Texas Health and Human Services Commission (HHSC) and the Texas Workforce Commission (TWC).
  - HHSC is responsible for TANF eligibility determination, eligibility-related policies, and making cash assistance payments.
  - TWC is responsible for work-related policies and for delivering employment services through Local Workforce Development Boards.

## **TANF is funded by both state and federal funds:**

- Federal funds are given to the State in the form of a TANF block grant.
- The TANF block grant has an annual cost-sharing requirement for States, referred to as maintenance of effort or MOE.
- The Texas Legislature determines the amount of state and federal TANF block grant funds appropriated to the TANF program.

## **TANF provides cash assistance to needy dependent children and the parents or relatives with whom they are living.**

- The most common form of TANF assistance is a monthly grant. The amount of the grant is based on family size and income.
- The TANF-State Program (TANF-SP) helps children living in two-parent households whose parents meet the income and resource guidelines for TANF.

## **TANF assistance is time limited.**

- Federal time limits
  - Establish a lifetime limit of five years;
  - Federal time limits apply to the family;
  - States have the option to develop shorter time limits;
  - Extensions to the federal time limit can be granted for not more than 20 percent of the caseload.
- Texas state time limits
  - Adults subject to work requirements are limited to 12, 24, or 36 months of benefits, depending on their work history and educational background.
  - State limits apply to the adult portion of the grant. When the adult reaches the time limit, the child can continue to receive TANF benefits.

# TANF Benefits & Eligibility

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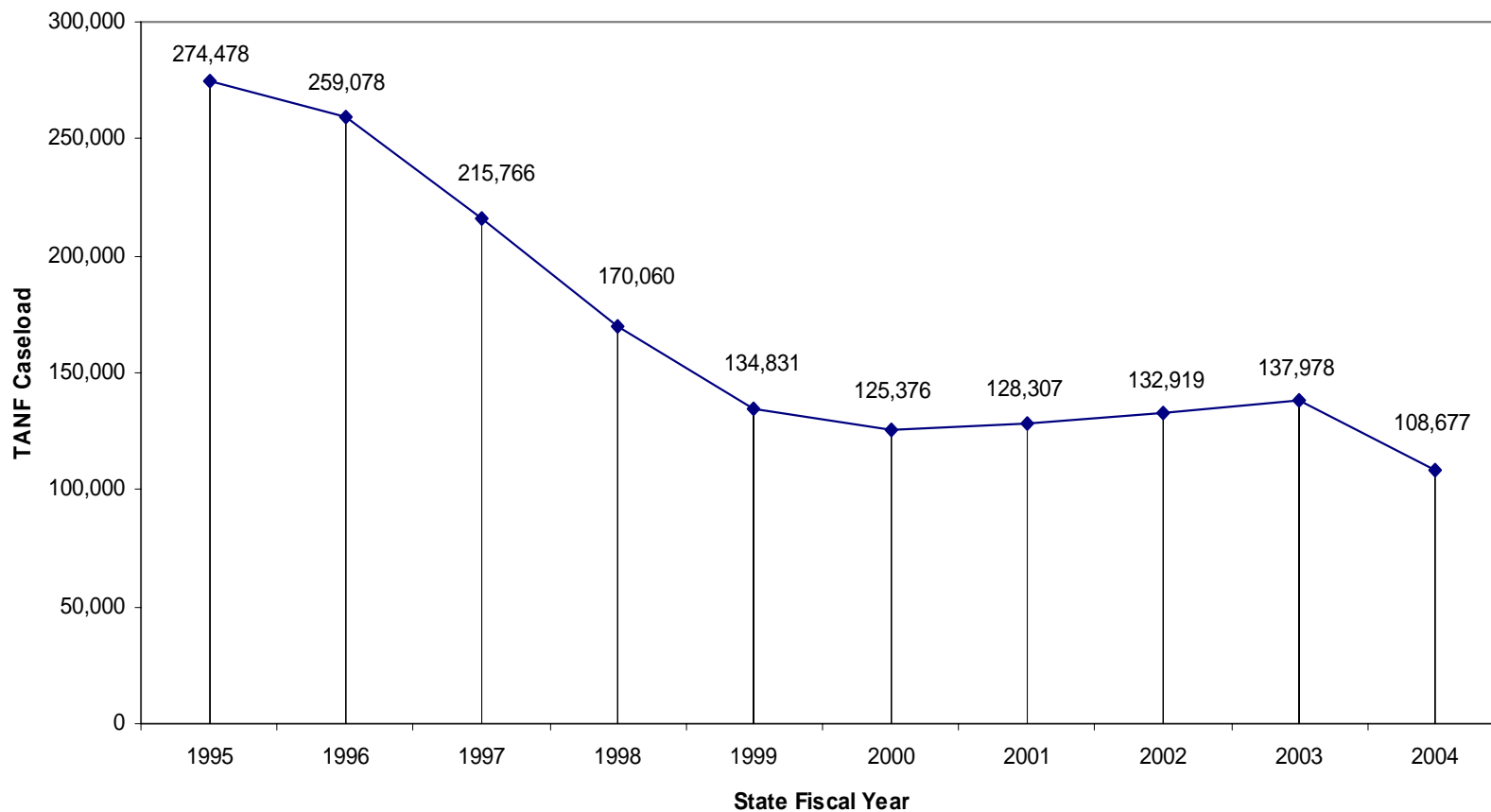
## **TANF Benefits-Certified household members are eligible for:**

- Monthly cash assistance.
- Medicaid coverage.
- Food Stamp benefits.

## **TANF Eligibility:**

- Family resources cannot exceed \$1,000;
- Net income cannot exceed specified levels (currently monthly income of \$188 for a family of 3);
- Children must meet age, citizenship, relationship, and residence requirements;
- In order to receive benefits, adult TANF applicants must sign a Personal Responsibility Agreement (PRA).

# TANF Caseload History





## Reauthorization

- TANF was authorized through September 2002. Since that time, Congress has extended the program through continuances.
  - The current continuance expires on March 31, 2005.
- Proposed federal reauthorization legislation increases work requirements and work hours.
- Passage of federal reauthorization legislation could require state statutory changes.

**The Food Stamp Program is an entitlement program that provides a monthly benefit to qualified applicants.**

- Food Stamps can only be used to purchase food items from retailers.

## **Food Stamp Administration**

- The United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) oversees the Food Stamp program.
- The Food Stamp program in Texas is administered by the Health and Human Services Commission.

## **Food Stamp benefits are:**

- 100 percent federally funded
  - The value of benefits in FY 2003 was \$1.817 billion
  - The value of benefits in FY 2004 was \$2.235 billion (estimated).

## **The administrative costs are:**

- 50 percent federally funded
- 50 percent state funded

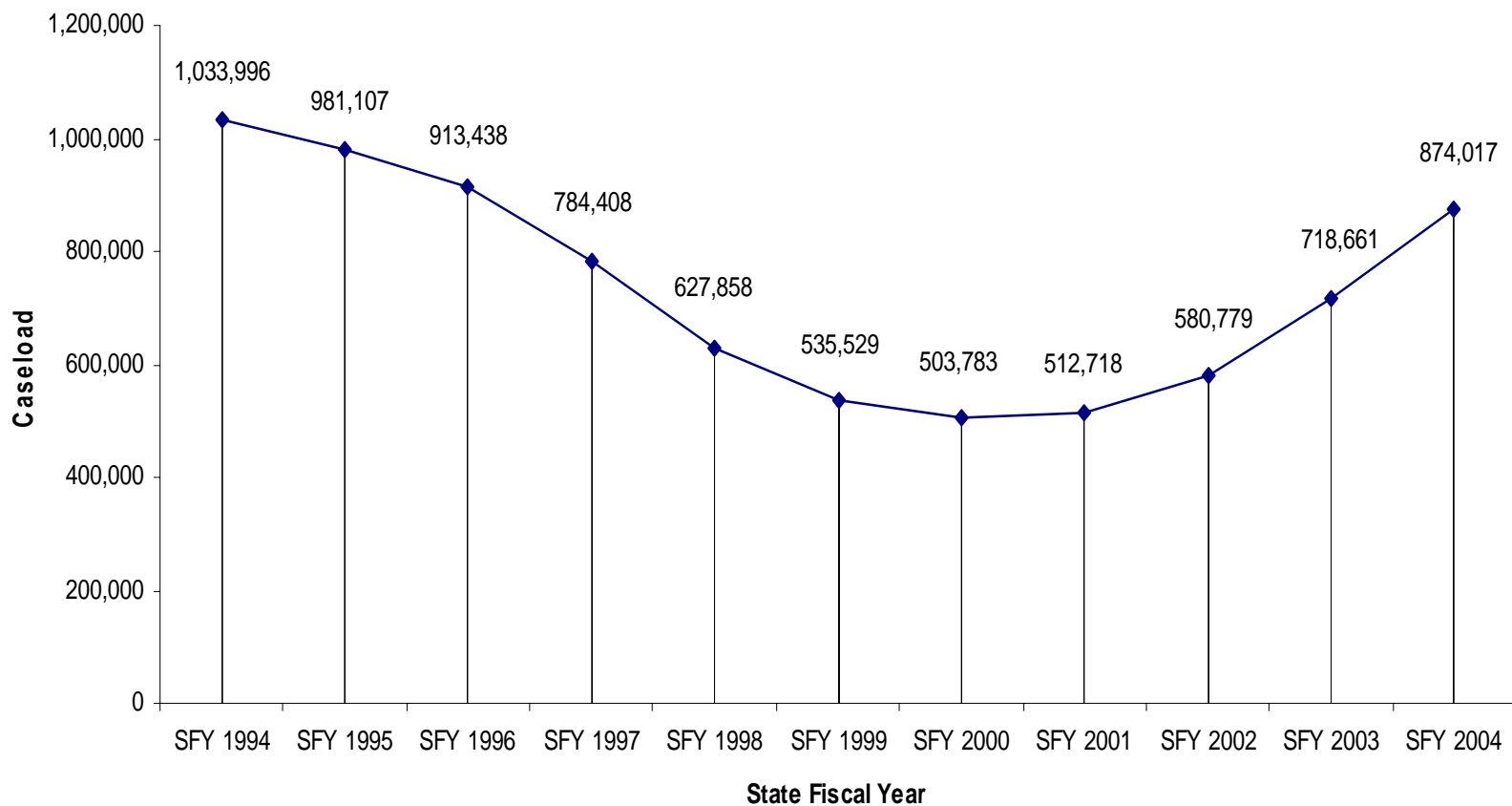
## **Additional federal funding is provided to:**

- Provide outreach
- Nutrition education

## Eligibility for the Food Stamp Program

- Households must meet gross and net monthly income eligibility requirements.
  - As an example, for a family of 3, the maximum gross monthly income is \$1,654
- Most households may have up to \$5,000 in countable resources (e.g., checking/savings account, cash).
- Legal immigrants who have been legal residents of the U.S. for more than five years, and legal immigrants who are children, elderly, or disabled can receive food stamps if eligible. All undocumented immigrants are ineligible for food stamp benefits.
- Able-bodied, childless, unemployed adults have time limits on their receipt of food stamp benefits.

# Food Stamp Program Caseload History



## **HHSC oversees eligibility determination, benefits issuance, and enrollment for:**

- TANF
- Medicaid for children and families
- Food Stamps
- Long Term Care Medicaid
- CHIP

## **There is an integrated application process for TANF, Food Stamps, and Medicaid for children and families.**

- Single application
- Combined Eligibility Interview

## **Cash and Food Stamp benefits are delivered through the Lone Star Card which is similar to a debit card.**

- Texas' EBT system distributed food stamp and TANF benefits to approximately 973,000 cardholders in FY 2004. It can be used at more than 9,900 retail outlets across the state.

## **Program Goal:**

- To assist families and individuals eligible for refugee services in attaining economic independence as soon as possible after their arrival in the United States.

## **Refugee Population:**

- Refugees arriving in the U.S. is determined by Congress and the President prior to each Federal Fiscal Year. For FFY 05, the determination is for 70,000 refugees.
- Refugee arrivals in Texas generally average 4,500 per year. Currently, our largest numbers are primarily from African countries – Somalia, Sudan, Liberia, and Rwanda.

## **Services:**

- Eligible individuals may receive Refugee Social Services, Refugee Cash Assistance, Refugee Medical Assistance, and Refugee Health Screening in accordance with federal regulations and time-limits.
- There is an Unaccompanied Refugee Minors program in Texas.
- 7,165 refugees received services in FY 2004.

## **Funding:**

- The program is 100 percent federally funded.

## Program Goal and Strategy

- Promote self-sufficiency, safety, and long-term independence from family violence for adult victims and their children.
- Provide emergency shelter and support services to victims and their children, educate the public, and provide training and information to various public and private organizations, including law enforcement agencies.

## Services in Texas

- There are 73 shelter and 8 non-residential centers providing comprehensive family violence services; and 19 special nonresidential projects.
- In FY 2004, 82,663 victims and their children received services, and 19.5 percent of adult victims requesting shelter could not receive it due to lack of space.

## Funding

- HHSC funding represents approximately 25 percent of the total cost of providing FV services in Texas. FV centers are community-based and receive a majority of their support (cash and in-kind) from private and other public sources.



## Child and Adult Nutrition Programs

- Child and Adult Care Food Program (CACFP)
- National School Lunch Program (NSLP)
- School Breakfast Program (SBP)
- Special Milk Program (SMP)
- Summer Food Service Program (SFSP)

## Commodity Distribution Programs

- Food Distribution Program (FDP)
- The Emergency Food Assistance Program (TEFAP) called the Texas Commodity Assistance Program (TEXCAP) in Texas
- Commodity Supplemental Food Program (CSFP)

# Special Nutrition Programs

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**The programs are administered by the Health and Human Services Commission (HHSC) under a federal/state agreement with the United States Department of Agriculture (USDA).**

- Special Nutrition Programs (SNP) are 100 percent federally funded with the exception of a 50 percent state-federal match for administrative expenditures for the Texas Commodity Assistance Program.
- The Child and Adult Nutrition Programs are federal entitlements
- The Commodity Distribution Programs are limited by federally set allocations and caseloads.

**Food and cash reimbursement are provided for nutrition services in schools, residential childcare institutions, day care facilities and food banks.**

- Services are delivered through service contracts with various types of organizations (i.e. private non-profit organizations, governmental agencies, for-profit organizations, and food banks)
- Approximately 2,500 Child and Adult Nutrition Contracts are managed by staff in eight primary offices and three satellite offices across the state. Approximately 1,500 Commodity Distribution Contracts are managed by staff located in the state office.