

October 15, 2002

The Honorable Elliott Naishtat, Chairman
House Committee on Human Services
Capitol, Room E2.152

Dear Representative Naishtat:

I would like to submit the following comments for inclusion in the Committee's interim report.

Charge 1: Monitor Congressional reauthorization of the Temporary Assistance to needy Families Program, the Food Stamp Program, and the Child Care Development Fund Block Grant.

Texas has made great strides in ending dependency since TANF replaced AFDC. However, as the report points out, Texas has a long way to meet the work requirements of the federal government. Texas has been able to take advantage of the Caseload Reduction Credit (CRC) which has helped it avoid the mandatory work participation rate. Texas' work participation rate, 26%, is far below the required 50%. With the prospect of increased work participation rate requirements, I cannot support the recommendations of the committee that the Legislature create separate state run welfare programs to avoid meeting work participation rate requirements. It should also be noted that the current use of work exemptions and exclusions not recognized by the federal government, and thus counted against the state, was a policy choice based, in large part, on recommendations of this committee. Rather than continue to exacerbate the problem, I recommend that the state actually comply with federal law. The Legislature should also take corrective action to ensure that the definition of work does not encompass activities that are not work.

Child care funding in Texas continues to be a major concern. The Legislature should ensure that TANF funds are used in accordance with their purpose and should increase funds for child care. The report rightly points out that DPRS has received TANF funds to provide unrelated, albeit important, services. The Legislature should also avoid implementing any draconian regulation which will further erode access to child care. Parents should have a full array of options that will allow them to pick the provider they feel best suits their family.

The committee should also support federal efforts to allow a "Superwaiver." As evidenced by the support many advocates expressed for the 10th Amendment rights of the state during the imbroglio over the provision of health care to immigrants, I am perplexed that advocates would not support a Superwaiver that would allow for innovative demonstrations by the state.

I would also urge the committee to recommend a more substantive plan on marriage initiatives. Every reauthorization plan with a chance of passing at the federal level includes funding for marriage promotion. The committee has seen ample evidence over the years that the majority of TANF, Medicaid, and Food Stamp recipients come from single-parent households. The committee has also heard evidence that long term marriage is the single fastest route out of

poverty. Without advocating that the state shackle any two people together, the state can take modest steps to strengthen and promote marriage. Oklahoma has used TANF funds for such activities and the committee should take a look at this effort.

Charge 2: Consider ways the state and local governments can promote asset development in low-income households and facilitate increased independence from public assistance. Examine any difficulties public assistance clients may encounter because of asset test standards.

Before considering the specific charge, I would like to address a section of the report. Texas has seen tremendous economic growth over the past 20 years and, yes, the state does still have a high rate of poverty. It is a mistake, however, to suggest that the poor were left behind during this boom. To the contrary, one of the reasons Republicans have fought so hard against such onerous taxes as the Alternative Minimum Tax is precisely because it punishes people as they move up the economic ladder. A mere glance at the number of people affected by the AMT will demonstrate the number of people who “bracket creep.” Additionally, the level of poverty in the state does not at all account for how many people have moved from poor to wealthy. The fact that “income inequality” has risen only means that the rich got richer, it does not mean that the poor got poorer- they didn’t, they got much richer.

As to the specific charge, the Legislature should certainly consider program changes that allow for asset development. The state should not promote asset development at the expense of means testing. Asset tests are in place for good reason; they allow the state to target limited resources and ensure that those in most need are being helped. Asset development should not be confused with elimination of means testing.

I would also recommend that the committee review the vast number of exceptions and exclusions of income across programs. Saying that an individual is at 150% of federal poverty level loses meaning when all of their assets and portions of income are excluded.

Charge 3: Review the organization and administration of the Texas rehabilitation Commission, including but not limited to eligibility determinations for social security disability benefits.

The committee should ensure that recommendations regarding eligibility determinations for disability benefits focus on accuracy and fairness, not on the rates at which Texas grants benefits compared to other states.

Charge 4: Study the extent and causes of suicide and consider whether Texas should implement a suicide prevention program.

Since the committee did not establish any link between mental health parity and rates of suicide, it would be irresponsible to endorse such a recommendation knowing that the result will be to increase the number of uninsured in Texas.

Charge 5: Evaluate the adequacy of staffing levels at the Department of Human Services. Examine staff workloads and responsibilities in light of new and altered responsibilities at the department, including implementation of CHIP, eligibility policy changes and welfare reform. Explore options that might increase efficiency of staff, including enhanced technology and public-private partnerships for application and recertification of benefits.

Since welfare reform was implemented at the federal level, there has been consistent claims by many advocate groups that the consequence of reform was to drive individuals away from applying for benefits for which many remained eligible, particularly Food Stamps and Medicaid. The data presented to the committee and included in the report indicate that applications for all the programs remained fairly constant. If applications remained the same, then the conclusion must be that people were not driven away. If applications did decrease, then the conclusion must be that there are fewer applications being processed and less need for workers. If DHS workers have seen an increase in their workload as a result of the many “simplifications” the committee has passed, maybe it would be appropriate to consider paying caseworkers more in lieu of hiring more.

The committee should also recommend that the state submit a request to the federal government for a ruling on whether privatization of eligibility determination is, in fact, legal.

Charge 6: Actively monitor agencies and institutions under the committee’s oversight jurisdiction, including compliance with legislative direction on “Olmstead” issues.

As noted in the report, Texas has been a national leader in promoting the independence of individuals with disabilities. Contrary to the report, I believe a reduction of 6500 people in institutionalized settings in less than three years is not a slight change, but a rather impressive one. While “interest lists” continue to grow, the placement of an individual on such a list suggests that services are not being provided to that person which, of course, is not true. Furthermore, HHSC has estimated that as many as 40% of the people on interest lists are not actually eligible for the services they are applying for; a situation that leads to an understatement of Texas’ progress in providing services in the community.

While I support the concept of allowing funds to “follow the person,” this proposal must make financial sense. If community based care is more cost effective, then there should be caps in place and the state should fund essential needs. Also, I look forward to committee members vigorously advocating the same “follow the person” funding in other areas such as public education.

As always, thank you for the opportunity to offer my comments.

Sincerely,

Arlene Wohlgemuth
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