

STORAGE NAME: h0779s.cfe

DATE: April 9, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
CHILDREN AND FAMILY EMPOWERMENT
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 779

RELATING TO: WAGES Act/Continuing Support/Age

SPONSOR(S): Children & Family Empowerment; Representative Murman & others

STATUTE(S) AFFECTED: s. 414.065, F.S.

COMPANION BILL(S): SB 626 (similar)
HB 971 (similar)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) CHILDREN AND FAMILY EMPOWERMENT YEAS 6 NAYS 0
- (2) HEALTH AND HUMAN SERVICES APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

Current law provides for the establishment of protective payees to administer cash assistance for children under age 12 when an individual in the family has been sanctioned for the second or third time for failure to comply with work activity requirements under the Work and Gain Economic Self-Sufficiency (WAGES) program. This bill raises to under age 16 from under age 12 the policy under which children can continue to receive temporary cash assistance under WAGES through a protective payee. Children under 12 may continue to have a relative for a protective payee. However, children between the ages of 12 and 15 must have a non-relative protective payee.

Raising the age to under age 16 should have minimal fiscal impact since there are expected to be few instances when more than one sanction will be applied. After six months of compliance with work requirements, should the individual fail to comply again, the fiscal sanction for noncompliance would be considered the first noncompliance.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The WAGES act provides for the establishment of protective payees to administer cash assistance for children under age 12 when an individual under work requirements has been fiscally sanctioned for the second or third time for failure to comply with those work activity requirements. The consequences of the noncompliance are as follows:

First noncompliance: temporary assistance is terminated for the family until the individual who failed to comply does so, and food stamp benefits are not increased as a result of the loss of assistance.

Second noncompliance: temporary assistance and food stamps are terminated for the family until the individual demonstrates compliance in the required work activity for a period of 30 days.

Third noncompliance: temporary assistance and food stamps are terminated for the family for three months. The individual is required to demonstrate compliance in the work activity upon completion of the 3-month penalty period, before reinstatement of assistance.

If a participant fully complies with work activity requirements for at least six months, the participant is reinstated and is deemed to be in full compliance with program requirements for the purpose of sanctions.

Current policy in s. 414.065(5) (a), F.S., provides that children under age 12 can continue to receive temporary cash assistance under the Work and Gain Economic Self-Sufficiency (WAGES) program through a protective payee when the family fails to comply with work requirements. Included in the work requirements of s. 414.065(1), F.S., are school attendance, parenting classes and a variety of other requirements for children and teen parents.

B. EFFECT OF PROPOSED CHANGES:

This bill raises from under age 12 to under age 16 the age under which children can continue to receive temporary cash assistance under the Work and Gain Economic Self-Sufficiency (WAGES) program through a protective payee when an individual included in the cash grant fails to comply with work requirements. Children under 12 may continue to have a relative for a protective payee. However, children between the ages of 12 and 15 must have a non-relative protective payee.

Raising the age to under age 16 should have minimal fiscal impact in that there will be few instances when more than one sanction will be applied. The WAGES forgiveness policy which removes prior sanctions after the noncompliant individual has complied with work requirements for six months will all but eliminate multiple sanctions. After six months of compliance with work requirements, should the individual fail to comply again, the fiscal sanction for noncompliance would be considered the first noncompliance.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. *Does the bill create, increase or reduce, either directly or indirectly:*

i. *Any authority to make rules or adjudicate disputes?*

No.

ii. *Any new responsibilities, obligations or work for other governmental or private organizations or individuals?*

No.

iii. *Any entitlement to a government service or benefit?*

The bill establishes an opportunity for children between the ages of 12 and 15 to continue to receive benefits through a protective payee when the family is under second or third sanctions for failure to comply with the mandatory work requirements of s. 414.065(1), F.S.

b. *If an agency or program is eliminated or reduced:*

i. *What responsibilities, costs and powers are passed on to another program, agency, level or government, or private entity?*

Not Applicable.

ii. *What is the cost of such responsibility at the new level/agency?*

Not Applicable.

iii. *How is the new agency accountable to the people governed?*

Not Applicable.

2. Lower Taxes:

a. *Does the bill increase anyone's taxes?*

No.

b. *Does the bill require or authorize an increase in any fees?*

No.

c. *Does the bill reduce total taxes, both rates and revenues?*

No.

d. *Does the bill reduce total fees, both rates and revenues?*

No.

e. *Does the bill authorize any fee or tax increase by any local government?*

No.

3. Personal Responsibility:

a. *Does the bill reduce or eliminate an entitlement to government services or subsidy?*

No.

b. *Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?*

No.

4. Individual Freedom:

a. *Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?*

Not Applicable.

b. *Does the bill prohibit, or create new government interference with, any presently lawful activity?*

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

i. *Who evaluates the family's needs?*

The bill continues WAGES benefits under circumstances in which the benefits would otherwise terminate. The families' needs are based on statutory criteria.

ii. *Who makes the decisions?*

The Department of Children and Families.

iii. *Are private alternatives permitted?*

Not Applicable.

iv. *Are families required to participate in a program?*

No.

v. *Are families penalized for not participating in a program?*

The bill relates to the elimination of benefits when a family fails to comply with work requirements.

b. *Does the bill directly affect the legal rights and obligations between family members?*

Yes. The bill reduces the effect on the benefits received by children of failure to comply with work requirements by a member of a family.

c. *If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:*

i. *Parents and guardians?*

Not Applicable.

ii. *Services providers?*

Not Applicable.

iii. *Government employees/agencies?*

Not Applicable.

D. SECTION-BY-SECTION RESEARCH:

SECTION 1. Amends paragraph (a) of subsection (5) of s. 414.065, F.S., to increase from under age 12 to under age 16 the age under which children can continue to receive temporary cash assistance under the Work and Gain Economic Self-Sufficiency (WAGES) program through a protective payee when an individual included in the cash grant fails to comply with work requirements. Children under 12 may continue to have a relative for a protective payee. However, children between the ages of 12 and 15 must have a non-relative protective payee.

The bill provides new sanctions for protective payees who turn assistance over to the parent or parents who are under sanction, as follows:

1. Sanctions are increased to the next level of severity.
2. Funds turned over to parents must be returned to the department.

Other mis-spent funds must also be turned over to the department.

SECTION 2. Provides an effective date of July 1, 1997.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None

2. Recurring Effects:

Minimal but indeterminate.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Minimal.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

Raising the age to under age 16 should have minimal impact in that there will be few instances when more than one sanction will be applied. The WAGES forgiveness policy which removes prior sanctions after the noncompliant individual has complied with work requirements for six months will all but eliminate multiple sanctions. After six months of compliance with work requirements, should the individual fail to comply again, the fiscal sanction for noncompliance would be considered the first noncompliance. In addition, the increases in sanctions provided by the bill will somewhat offset any increases in benefits which might occur as a result of allowing support to continue for a child between the ages of 12 and 15 when the family is under sanctions.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

V. COMMENTS:

The amendments to the bill add safeguards against abuse of the protective payee system and provide penalties when there are attempts to circumvent the sanctions.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The committee substitute made the following changes to the bill:

1. Provided that children between the ages of 12 and under 16 could only receive benefits from a non-relative protective payee when the family is under sanctions for non-compliance with WAGES requirements.

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2. Provided that the protective payee be responsible for foods stamps as well as payments for the child or children, and that the protective payee agree in writing to use the food stamps for the best interests of the child or children.
3. Prohibited the protective payee from turning over assistance to the parents.
4. Provided penalties for a protective payee.

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILY EMPOWERMENT:

Prepared by:

Legislative Research Director:

Bob Cox

Bob Barrios