



**TEXAS**

Health and Human  
Services Commission

# **Human Services Committee Interim Charge Hearing**

April 18, 2006

# Food Stamp Program Proposed Changes



## President's proposed 2007 budget:

- Exclusion of retirement accounts
- Eliminating categorical eligibility for TANF Non-Cash Households
- National Directory of New Hires database access
- Transitioning former Commodity Supplemental Food Program recipients into the Food Stamp Program

# Exclusion of Retirement Accounts



## Current policy:

- Individual Retirement Accounts, Simplified Employee Pension plans, and Keough plans are countable resources when determining eligibility for Food Stamps
- All other retirement accounts/plans are excluded as a resource

## Proposed policy:

- Exclude all tax-favored retirement accounts when determining eligibility

# Impact



- Increased access to the Food Stamp program, especially for the elderly
- Workload reduction, as staff would no longer have to verify and determine the value and balance of retirement accounts
- Would require systems changes, training and policy handbook revision

# Elimination of Categorical Eligibility



Current policy:

- Households receiving TANF cash assistance, SSI, and TANF non-cash assistance are categorically eligible for Food Stamps
- All households in Texas are considered categorically eligible except those in which a member is disqualified due to an intentional program violation

# TANF Non-Cash Benefits



TANF non-cash (NC) benefits include services for:

- Family planning
- Adult education
- Prevention and treatment of substance abuse
- Employment services
- Domestic violence
- Women's, Infants and Children nutrition (WIC)

# Eligibility Criteria for TANF-NC



- Combined liquid assets and excess vehicle value total \$5000 or less
- Gross income is below 165% of the federal poverty level (FPL) for household size
- If income limit is met, household is not subject to gross/net income test
- Remaining resources are exempt

# New Criteria for Categorical Eligibility



## Proposed policy:

- Only households receiving cash assistance – TANF or SSI – would be categorically eligible for Food Stamps
- Households previously eligible for TANF-NC benefits would not be categorically eligible, and would now be subject to:
  - Gross/net income limit
  - \$2000/3000 resource limit
  - Vehicle exclusion of \$4,650 of fair market value of the first countable vehicle



# Caseload Impact



- 2 percent (18,000-20,000 cases) of the Food Stamp caseload has income over 130 percent FPL, which is the limit food stamp regulations establish for households that are not categorically eligible.
- HHSC does not have data to accurately estimate the number of households that would be affected by a lower resource limit, but it is likely that several thousand working families may be ineligible due to excess assets, including many families who own a vehicle valued over \$6,650.

# Other Impacts



- **Annual loss of over \$14.4 million in Food Stamp benefits to families whose benefits are denied**
- **Economic impact generated by federal dollars**
- **Increased staff workload to verify equity value of countable resources that is currently excluded, such as property**
- **Increased Quality Control liability with additional verification requirements and added complexity**
- **Systems changes, training and policy handbook revision will be required**

# National Directory of New Hires



Proposal gives states the option to access the National Directory of New Hires data base for food stamp applicants and recipients to match employment and wage information.

# Texas Match Process



- Texas employers by law must report newly hired and rehired employees to Office of Attorney General (OAG).
- OAG maintains information and sends HHSC a weekly electronic file to match against system data.
- This match creates the Employer New Hire Report (ENHR), distributed to staff for clearance.
- ENHR is produced for Food Stamp streamlined reporting households if gross income is within \$900 of the 130 percent FPL and the household member on the ENHR file has gross earnings less than \$900. Streamlined reporting households with income above 130 percent FPL are not required to report changes in income.

# Impact



- Proposal would increase staff workload associated with verifying the information generated from the nationwide match of employers
- Increased Quality Control liability
- Systems changes would be required

# Eliminating Commodity Supplemental Food Program



## Current program:

- Nationally, the Commodity Supplemental Food Program (CSFP) provides food packages to about 450,000 persons monthly, primarily those 60 and over, but also to low-income pregnant and post-partum women, infants, and children up to age 6 (not receiving WIC).

## Proposal:

- CSFP is no longer needed because current recipients can qualify for other programs, specifically Food Stamps and WIC. (CSFP elderly households are not prohibited from participating in Food Stamps – others cannot participate in both CSFP and WIC)
- Current recipients age 60 and over would be eligible to receive food stamps equal to \$20 per month for up to 6 months, until they are determined eligible for the regular Food Stamp Program.

# Funding for Benefits



- Administrative methodology for issuing the \$20 monthly benefit is not addressed
- Funds are earmarked for the administrative costs and funds for the transitional food stamp benefits

# Texas Operations



- CSFP operates in Dallas, Webb, and Zapata counties
- 12,378 recipients in Texas
- 11,759 are age 60 and older



# Impact



Impact on Texas is unknown because the budget does not address how the transitional food stamp benefits would be issued to the eligible individuals.