

- SUBJECT:** Abolishing fingerprint imaging for food stamp recipients
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 6 ayes — Naishtat, J. Davis, Noriega, Raymond, Villarreal, Wohlgemuth
0 nays
3 absent — Chavez, Ehrhardt, Telford
- WITNESSES:** For — Bruce Bower, Texas Legal Services Center; Alison Dieter, Texas Gray Panthers; Celia Hagert, Center for Public Policy Priorities;
Registered but did not testify: Leslie Hernandez, National Association of Social Workers/Texas

Against — None

On — Tom Phillips, Texas Department of Human Services
- BACKGROUND:** In 1995, the 75th Legislature enacted HB 1863, which restructured the Aid to Families with Dependent Children (AFDC) program. Changes included time-limited benefits, responsibility agreements, and work and education requirements. The law also directed the Texas Department of Human Services (DHS) to develop a program to prevent fraud by using an electronic fingerprint imaging or photo imaging program. DHS developed the Lone Star Image System in 1996 and expanded it statewide in 1999. Under the current program, adult and teen recipients of food stamps have the prints of their index fingers scanned and stored to prevent duplication of services at different locations.
- DIGEST:** HB 102 would abolish DHS' fingerprint imaging program by repealing Human Resources Code, sec. 31.0325.

HB 102 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

The fingerprint imaging program should be abolished because the results of the program are not worth the expense. The state has spent \$15.9 million on this program so far but has discovered only nine cases of fraud out of the 1.4 million individuals who have been fingerprinted.

A DHS study found that the two most common types of fraud are misrepresentation of income and overstatement of the number of people living in a household. Fingerprint imaging addresses neither of these.

Any cost savings from the program may come from deterring eligible individuals from applying for food stamps rather than from preventing fraud. DHS' assessment of cost-effectiveness is based on the number of people who go through the application process up to the point of fingerprint imaging, then stop and do not complete the process within 90 days. These people may not be trying to duplicate service but may feel that fingerprint imaging invades their privacy. Also, DHS requires that each member of the recipient's household be fingerprinted, which can be impractical.

The legislation that created this program also created other methods of fraud prevention that are far more cost-effective. The Health and Human Services Commission has implemented data-matching projects to detect and prevent fraud. These include data broker services, a matching system with the Texas Department of Criminal Justice to prevent an incarcerated individual from illegally receiving public assistance, and the use of vehicle registration and title information. Also, DHS aggressively publicizes fraud prosecutions and has established and promoted a toll-free hotline for reporting welfare fraud.

**OPPONENTS
SAY:**

The fingerprint imaging program serves a useful purpose and should be continued. DHS' assessment of the cost-effectiveness of this program found that it saves between \$6 million and \$11 million per year. Even though the number of fraudulent claims detected may be relatively small, the program also may deter people from committing fraud.

The fingerprinting step of the food stamp application is not a significant barrier to completing legitimate applications. A minority of the applications left pending are due to this step. When an individual applies for food stamps, DHS requires many pieces of information, and omission of any piece of information can leave the application pending.

Fingerprint imaging is not as invasive as other methods of proving identification and discloses no more information than is necessary to verify identity. Other methods, such as a picture identification cards, may disclose addresses, telephone numbers, and other personal information. Many Texans routinely provide fingerprint images to the state to obtain driver's licenses.

NOTES:

According to the bill's fiscal note, HB 102 would save \$6.1 million in general revenue and \$7.4 million in federal funds over five years, if it takes effect on September 1, 2001.

A similar bill in the 76th Legislature, HB 1061 by Maxey, was left pending in the House Human Services Committee.