

SUBJECT: Increasing accessibility to the food stamp program

COMMITTEE: Human Services — committee substitute recommended

VOTE: 7 ayes — Naishtat, Chavez, J. Davis, Ehrhardt, Noriega, Raymond, Villarreal
0 nays
2 absent — Telford, Wohlgemuth

WITNESSES: For — Katherine Bingham, Associated Catholic Charities; Celia Hagert, Center for Public Policy Priorities; Barbara Lashley, Christ the Good Shepherd Catholic Community; Sue Kratochvil; *Registered but did not testify*: Bruce Bower, Texas Welfare Reform Organization; Pat Cole, National Training Center on Domestic and Sexual Violence; Jennifer Corrigan, Texas Council on Family Violence; Susan Craven, Texans Care for Children; Krista DelGallo; Charlotte Flynn, Gray Panthers; Karen Johnson, United Ways of Texas; Linda Rushing, Texas Catholic Conference; Clinton Smith, Austin Gray Panthers; Colleen Smith
Against — None
On — Judy Denton, Texas Department of Human Services

BACKGROUND: Administered by the Department of Human Services (DHS), the food stamp program is a state-federal nutritional assistance program. The federal Food Stamp Act establishes eligibility and other requirements and limitations for the program.

Federal regulations, in 7 CFR, part 273.2(e), establish food stamp application-processing procedures, including the requirement that an applicant attend an office interview as a part of the initial application or periodic recertification for food stamp benefits. This office interview is waived if the recipient and each member of the household has no earned income and is elderly or disabled. The office interview also may be waived for individuals who are subject to a “hardship,” such as a work conflict,

transportation, rural location, weather, illness, or care for another member of the household.

7 CFR, part 273.2(j) defines “categorical eligibility” for food stamps. Any household in which all members are eligible for public assistance or supplemental security insurance (SSI) benefits is categorically eligible for food stamps. The eligibility factors waived because of categorical eligibility include resource and income limitations.

DIGEST:

CSHB 475 would direct DHS to allow a person to apply or reapply for food stamps over the telephone if the recipient and each member of the household had no earned income and were elderly or disabled, or if the person was a “hardship” case, as determined by DHS.

DHS could require the applicant to appear in person at a department office if doing so either would protect the integrity of the food stamp program or would protect the person from an adverse determination of eligibility. An applicant could choose to appear personally at a DHS office.

As soon as possible after the effective date, DHS would have to adopt rules needed to exercise the federal “categorical eligibility” option under 7 CFR, part 273.2(j). DHS would have to designate specific non-cash or in-kind benefits that would result in categorical eligibility for food stamps.

DHS would have to request any necessary waiver or authorization from the U.S. Department of Agriculture to implement the bill’s provisions. DHS could delay implementing these changes until all federal waivers or authorizations were granted.

The bill would take effect September 1, 2001, and would apply to all people receiving food stamps on or after that date, regardless of when their eligibility was determined.

**SUPPORTERS
SAY:**

CSHB 475 would improve accessibility to the food stamp program by removing the requirement for a face-to-face interview and implementing a graduated independence from food stamps.

The face-to-face interview requirement is a barrier to applying for food

stamps. A person with a job must take time off work; people living in rural areas often must travel many miles; and people with children at home or those caring for an elderly family member must find someone to watch them. While the interview offers an opportunity for the eligibility specialist to resolve unclear or incomplete information in the application and to inform the recipient of the rights and responsibilities associated with receiving food stamps, those functions can be performed over the telephone.

The face-to-face interview is not a significant anti-fraud provision. It is designed to resolve inconsistencies in the application, not to discover them. DHS discovers such inconsistencies by data matching and other techniques before the eligibility determination.

CSHB 475 would promote independence by directing DHS to implement a graduated independence from food stamps by adopting rules needed to exercise the federal “categorical eligibility” option. While food stamps are an automatic benefit to individuals receiving TANF, they expire with the cash benefits. In this situation, families go from cash benefits and food stamps to nothing. To continue receiving food stamps, a family must have resources of less than \$2,000, including the value of their vehicle in excess of \$5,000.

The bill would allow DHS to create a non-cash benefit category with higher resource limits than those of the food stamp program. Families leaving TANF could apply for this non-cash benefit category and receive food stamps until their income and resources reached a certain higher level. Families in this category could start a savings account and own a reliable car, both of which would make them less likely to return to public assistance in the future.

**OPPONENTS
SAY:**

CSHB 475 would remove an important anti-fraud measure. Over the phone, interviewers cannot catch nuances or facial expressions that may point to fraud. Interviewers would not even be able to verify the identity of the interviewee. Even though the bill would allow DHS to require people to come to the office for interviews, an interviewer who used the telephone might miss cues indicating the necessity of a face-to-face interview.

CSHB 475 could make people more dependent on public assistance. The food stamp program has specific resource and income limits because a person who has enough resources should not receive help buying groceries. The state should encourage people to adjust their budgets as necessary to pay for their groceries rather than to continue to receive public assistance, which should be reserved for the truly needy.

OTHER
OPPONENTS
SAY:

CSHB 475 would not change the eligibility requirements for financial assistance. The bill as filed would have removed the fair-market value of one automobile and raised the limit of subsequent vehicles to \$5,000 for consideration of resources for financial assistance. These changes would have been incorporated into the food stamp eligibility process by “categorical eligibility.” Without these changes, people applying for food stamps would remain subject to the current resource limits.

The limit on automobile resources should be raised for all financial assistance. Under current law, the market value of a vehicle in excess of \$5,000 is counted against the \$2,000 resource limit for eligibility for financial assistance. This creates a disincentive to own a reliable vehicle, which can be vitally important in finding and maintaining a job.

NOTES:

The fiscal note for CSHB 475 estimates a positive impact of \$1.3 million in general revenue during fiscal 2002-03, attributable to administrative savings that DHS would realize by conducting interviews over the phone rather than in person. Although the bill would increase clients’ access to food stamp benefits, those benefits are federally funded.

The bill as filed would have removed the fair-market value of one automobile and raised the limit of subsequent vehicles to \$5,000 for consideration of resources for financial assistance. It also would have directed DHS to use the financial assistance guidelines to determine eligibility for food stamps. The committee substitute excluded these changes but retained “categorical eligibility” and added the telephone interview option.

The companion bill, SB 184 by Zaffirini, which is identical to CSHB 475, passed the Senate on April 4 by voice vote and was reported favorably, without amendment, by the House Human Services Committee on April 5, making it eligible to be considered in lieu of CSHB 475.