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## PLAINTIFFS DISMISS FEDERAL FOOD STAMP LAWSUIT SUSTAINING PROGRESS UP TO LEGISLATURE

On July 31, 2009, Stacy Howard and Linda Thornberg on behalf of themselves and all others similarly situated filed a class action in federal district court against the Executive Commissioner of the Health and Human Services Commission for failure to comply with federal timeliness standards in processing applications for the Supplemental Nutrition Assistance Program (SNAP), formerly called Food Stamps. The Texas Legal Services Center represented the plaintiffs. The district court granted the state's motion to dismiss for failure to allege a violation of federal law. The plaintiffs appealed to the court of appeals.

In the meantime, through the hard work of HHSC staff, under the leadership of HHSC Executive Commissioner Tom Suehs and with additional resources from the Legislature, Texas improved its performance. In recognition of the state's progress, on August 24, plaintiffs moved to dismiss their case with each side paying its own cost. The state did not oppose the motion. On August 26, the court of appeals dismissed the case. Because no class was ever certified, different plaintiffs are free to pursue claims against the state should its performance deteriorate. In addition, state court litigation challenging various aspects of the state's system remains pending.

Sustaining progress will be difficult. By Fiscal Year 2013, HHSC projects it will be responsible for approximately 406,000 new cases, a 15 percent increase over today's caseload. HHSC's staffing analysis shows that it needs approximately \$94 million above its base budget request to fund 1,932 additional staff, reduce overtime, and increase the retention of current staff. Without these funds, HHSC will be hard pressed to meet federal performance standards, and the system will be unprepared to implement national health care reform in 2014. If performance deteriorates, further litigation will undoubtedly follow.

More than 6.4 million vulnerable people get food or health care or temporary emergency cash assistance through the Texas system, amounting to over \$25.7 billion in SNAP, Medicaid, and TANF benefits annually. When the system fails to get help to needy Texans, the entire state loses out on federal dollars that fuel our state and local economies. This is particularly important during a recession when unemployment has risen and consumer spending has dropped.

Every \$1.00 in Food Stamp benefits produces \$1.84 in overall economic activity, bringing the total economic benefit of Food Stamps in fiscal 2010 to \$6.6 billion—money that supports Texas' food retailers, farmers, producers, and our sales tax base. Medicaid spending also has a significant economic multiplier effect, generating economic activity including jobs, income, and state tax revenues.

To help needy Texans and maximize federal dollars, the Legislature needs to give careful consideration to HHSC's budget request for additional staffing and increased flexibility.