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WRAP-UP OF ANTI-HUNGER LEGISLATION IN THE 77TH SESSION

The 77th legislature passed several important pieces of legislation this session. These bills will significantly improve access to the Food Stamp Program, provide funding for nutrition programs outreach, and assist food banks in their efforts to feed the hungry. The purpose of this *Policy Page* is both to inform you about these developments and to thank everyone whose hard work and support contributed to these gains in the fight against hunger.

FOOD STAMP SIMPLIFICATION BILLS

The 77th legislature considered several policy changes to improve access to the Food Stamp Program, including revising the vehicle resource limit to make the policy more consistent with the state's welfare-to-work objectives. Following is a summary of these changes:

Phone-in interviews for certain Food Stamp recipients:

This legislation (SB 184 by Zaffirini/Naishtat) exempts several categories of food stamp recipients from making a personal appearance at Department of Human Services (DHS) offices to apply for or recertify for Food Stamp benefits. Instead, these households will now be allowed to submit their applications over the phone, providing the required documentation via the mail. The bill automatically exempts households that contain only seniors or persons with disabilities and have no earned income, and provides for "hardship" exemptions on a case-by-case basis for clients who are:

- working or in job training;
- subject to transportation difficulties;
- subject to other difficulties arising from the living in a rural area;
- subject to prolonged severe weather;
- ill; or
- needed to care for another family member.

The hardship exemptions will be granted at the discretion of the individual caseworker, according to rules developed by DHS. The legislation specifies that an exemption will not be granted if a personal appearance is necessary to "protect the integrity of the Food Stamp Program," or if the caseworker feels that an in-office interview is necessary to prevent a denial of or reduction in benefits. For the most part, this

language was included in the bill to satisfy concerns that phone-in interviews might make it easier for a client to commit fraud, or for a caseworker or client to make a mistake that would result in the issuance of an incorrect amount of benefits.

In addition, the legislation maintains the option (as required by federal law) for an office interview if the client requests one. Finally, language was added in the bill at the last minute that requires clients to verify their need for a hardship exemption. This last provision raises some concerns. First, it is possible that USDA will not allow DHS to impose additional verification requirements beyond those required by federal law. In this case, DHS will grant exemptions without requiring clients to show proof that they meet one of the hardship criteria. However, if USDA does allow this verification, DHS will have to determine which type of documentation to accept (e.g., how to prove foul weather...) and at which point during the enrollment process such documentation would be required.

Most of these issues will be clarified during the rulemaking process, so it will be important for advocates to stay tuned during the implementation of the new policy. Advocates and service providers can play an important role in informing families who receive or are in need of Food Stamps about the new exemptions. CPPP plans to develop outreach materials for this purpose, which we will disseminate as widely as possible. One last note: SB 43, the children's Medicaid simplification bill, will broaden the impact of allowing phone-in interviews for Food Stamp recipients by also allowing low-income families to apply for Medicaid benefits for their children over the phone or through the mail.

Higher resource limits for families with children: SB 184 also directs DHS to allow families with children who have resources above \$2,000 (the current limit in the Food Stamp Program) to receive these benefits, provided they have income low enough to qualify for Food Stamps, meet all of the program's other eligibility requirements, and are receiving some kind of TANF-funded service. In implementing this bill, DHS must develop a low-cost TANF-funded service that will then be used to trigger automatic eligibility for Food Stamps for the families who receive the service. Other states have done this in a low-cost manner by distributing a TANF-funded flyer that promotes the message of welfare reform and informs clients of employment resources. Although the legislation does not specify a higher resource limit for these families, it directs the agency to establish one, which will be done during the rulemaking process. Again, to maximize the impact of SB 184, it will be important for advocates to reinforce the message to DHS and its board that low-income families must be able to build some prudent savings in order to become permanently independent of public assistance.

Higher vehicle allowance for Food Stamp clients and certain TANF recipients: SB 1008 (by Zaffirini) and HB 2251 (by Naishtat) proposed raising the vehicle resource limit to allow families to own a reliable car and still be eligible for Food Stamps and TANF. Under current policy, the fair market value of most cars above \$4,650 is counted against the maximum \$2,000 resource limit, a rule that prevents many poor families from getting this assistance. These bills plodded doggedly through the legislative process, only to gasp their final breath and die in the last weeks of the session before the chance to become law. Fortunately, thanks to the persistent efforts of Chairman Naishtat, a rider was added to the appropriations bill during final budget negotiations that makes a similar policy change: under the new rules, up to \$15,000 of the fair market value of one vehicle will be disregarded when determining eligibility for Food Stamps and the TANF for two-parent families. Additional vehicles will be valued according to current policy. Advocates and service providers can play an important role in publicizing this new policy, and CPPP will prepare outreach flyers for this purpose.

Exemptions from the finger imaging requirement: Alas, despite a determined and bi-partisan march through the House, the bill to abolish the wasteful and degrading practice of electronically finger imaging TANF and Food Stamp recipients received a whipping it couldn't recover from when it reached the Senate. At first, it appeared that HB 102 (by Maxey/Moncrief) had everything going for it, including hard data to support the claim that finger imaging is costly and ineffective at reducing fraud. However, lobbyists for the company that provides finger imaging services to DHS mounted enough pressure in the Senate to prevent the original bill from ever being heard in committee. With the perseverance of Representative Maxey and Senator Moncrief, an amended version of HB 102 did finally pass, which includes some important gains. Under the final legislation,

DHS will grant exemptions from the finger imaging requirement on a case-by-case basis for seniors and persons with disabilities. The bill directs DHS to grant exemptions only in hardship situations and to establish criteria that define these hardships. In addition, under current DHS rules, any person who is exempted from an in-office interview under SB 184 will also be exempted from the finger imaging requirement. Advocates can play a role both in ensuring that these hardships are defined as broadly as possible and in publicizing the availability of these exemptions to seniors and persons with disabilities.

A final word: SB 184 has been signed by Governor Perry. While HB 102 has yet to receive the gubernatorial stamp of approval, the governor has given no indication that he plans to veto the bill. CPPP will continue to monitor all of these policy changes as they make their way through the rulemaking process and will let our readers know when and how they can weigh in on the debate.

IMMIGRANT SAFETY NET BILLS

The two bills to improve immigrants' access to nutrition assistance, HB 1218 (by Chavez/Shapleigh) and HB 1959 (by Naishtat/Shapleigh), failed to win the legislature's approval, despite the dedicated efforts of their authors. HB 1218 would have expanded the State Immigrant Food Assistance Program (which currently serves roughly 300 seniors) to cover an additional 10,000 legal immigrants who remain without Food Stamps under changes made by the federal welfare act of 1996. HB 1959 would have increased Food Stamp benefits for children living with ineligible legal immigrants.

FUNDING FOR NUTRITION PROGRAMS OUTREACH AND CASEWORKER BONUSES

Last session, readers may recall that the legislature appropriated up to \$2 million for nutrition programs outreach. This funding came out of the pot of enhanced funds that DHS receives for lowering error rates in the Food Stamp Program. In addition, lawmakers approved \$2 million for caseworker bonuses to reward DHS workers who contributed to error rate reduction. The outreach funds were used to develop a Food Stamp education campaign that was subcontracted to local CBOs, and to fund incentive payments and outreach for Summer Food Service Program sponsors. By the end of this biennium (August 2001), DHS will have received a total of over \$75 million in enhanced funds for low error rates. The 77th legislature appropriated another \$2 million of these funds for nutrition programs outreach, raised the funding for caseworker bonuses to \$5 million, and specified that this pot of bonus money be used not only for caseworkers who contributed to lowering the error rate, but also to reward caseworkers for exemplary customer service and success in increasing the percentage of eligible families receiving benefits.

While the \$2 million is not dedicated to continuing the Food Stamp outreach and summer food initiative, it is possible that these funds will be used for similar purposes. Before spending any of the enhanced funds, DHS must first present a proposal to its Board for approval and notify the Legislative Budget Board and the governor's office of its plans. Of the \$75 million received thorough the current biennium, the overwhelming majority has been spent behind closed doors, with little opportunity for public input. For this reason, it will be important for advocates to provide input on how to allocate the \$2 million for nutrition programs outreach, and the \$5 million for caseworker bonuses.

GRANT PROGRAM FOR FOOD BANKS

HB 1086 (by Solis/Duncan) sets up a grant program to support food bank efforts to collect and distribute surplus agricultural products to their network of charitable agencies around the state. This bill was signed by the governor in May. The budget act includes \$500,000 for the biennium to fund the grant program.

MANY THANKS...

From all of us at CPPP, we want to thank the legislators and their staff who worked so tirelessly to make these policy changes a reality and improve low-income Texans' access to nutrition assistance. In particular, we want to thank Senator Zaffirini and Chairman Naishtat for their leadership in securing the passage of SB 184 and in making the vehicle policy change in the Food Stamp Program; Representative Maxey and Chairman Moncrief for their persistence in passing HB 102; Representatives Eiland and Coleman and Chairman Ellis for providing the leadership necessary to secure the funding for nutrition programs outreach and caseworker bonuses; Chairman Solis and Senator Duncan for their leadership on behalf of the passage of HB 1086; and Representative Chavez and Senator Shapleigh for fighting so passionately on behalf of Texas' immigrant families.

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