



FOOD STAMP BILLS WOULD MAXIMIZE FEDERALLY FUNDED FOOD ASSISTANCE TO NEEDY TEXANS

The House Human Services Committee will hear two Food Stamp bills on Thursday, March 26, that would maximize federal funding to provide food assistance for needy Texans. HB 1627 would use the Low-Income Energy Assistance Program (LiHEAP) program to maximize Food Stamp benefits for currently eligible families. HB 612 would eliminate the current ban on Food Stamps for drug felons. This Policy Page explains these bills and summarizes the arguments for adopting these changes to Food Stamp policy in Texas.

- **The House Human Services Committee will hear HB 612 and HB 1627 on Thursday, March 26, at 10:30 a.m. or upon adjournment of the House, in E. 2.036.**
- **HB 1627 would maximize Food Stamp benefits for currently eligible families.**
- **HB 612 would eliminate the ban on Food Stamps for drug felons. Food Stamps offer a lifeline to ex-offenders in their attempts to rehabilitate themselves and reintegrate into society.**
- **Food Stamps are 100 percent federally funded. Increasing these benefits during an economic recession helps needy families make ends meet and boosts the state and local economies.**

Need for Food Stamps is Increasing

Even before the current economic crisis, almost one-in-four Texas children lived in poor families, and one in every seven families (14.8 percent) was at risk for hunger, the third-highest rate of food insecurity in the nation. As unemployment rises, more Texans will turn to the Food Stamp Program for help. The Food Stamp Program is specifically designed to help families get through tough economic times by helping them bridge the gap between their earnings and expenses during periods of un- or underemployment.

Increasing Food Stamps for needy families during an economic recession serves two purposes:

- Low-income families often fall behind while juggling the costs of rent, food, utilities, child care, transportation, health care, and other essentials. Helping families meet their food needs frees up money in their budgets to pay for other necessities.
- Food Stamps are one of the most effective forms of economic stimulus because low-income individuals generally spend all their available resources on meeting their daily needs, such as shelter, food, and transportation. Therefore, every dollar in Food Stamps that a low-income family receives enables the family to spend an additional dollar on food or other items. Research by the U.S. Department of Agriculture estimates that \$1 in Food Stamps generates \$1.84 in total economic activity.

HB 612

HB 612 by Representative Elliot Naishtat would eliminate the lifetime ban on Food Stamps for people convicted of a drug felony. Food Stamps are 100 percent federally funded and can be a lifeline to ex-offenders in their attempts to rehabilitate themselves and reintegrate into society.

Background

In 1996, as part of federal welfare reform, Congress enacted a lifetime ban on receiving Food Stamps (and TANF) for people convicted of a drug felony. The law gives states the option to lift the ban, but states are required to pass legislation in order to opt out of the ban. To date, Texas has chosen not to opt out of the ban. This is a *lifetime* ban—even if someone has completed his or her sentence, overcome an addiction, been employed but gotten laid off, or earned a certificate of rehabilitation. Texas is among only 14 states that choose not to eliminate or modify this ban.

Reasons to Support HB 612

The lifetime ban on Food Stamps for people with past drug felony convictions harms individuals and society:

- **The ban creates barriers to successful integration back into society.** An ex-offender's eligibility to receive these benefits is critical to helping ex-offenders become employed. Many people with criminal records are not "job-ready" immediately and require services such as substance abuse treatment, job training, or education before they can enter the job market. During this process of becoming "job-ready," ex-offenders rely on Food Stamps to pay for food.
- **The ban undermines Texas' efforts to reduce recidivism of parolees and probationers and increases state and local costs.** The lifetime ban on Food Stamps for drug felons causes Texas to lose out on federal funds that could be used to help people with drug felony convictions reestablish themselves as

- productive, lawful members of our society. Without the support of Food Stamps, these people must rely on limited state, local, or privately funded services. Parents who are denied benefits also may lose their children to the child welfare and foster care systems at a great financial cost to the taxpayer and great emotional cost to the children. Some may turn to crime to support their families and themselves, and inevitably enter the crowded and costly criminal justice system. Texas spends significant state funds to incarcerate repeat offenders. If Texas can use federal Food Stamp dollars to reduce recidivism among first-time drug felons, we can reduce these costs to the state.
- **The lifetime drug felony conviction ban hurts children.** When a mother is denied Food Stamps, her children suffer. Although the kids of ex-offenders can still qualify for benefits, a family's funds go toward caring for the *entire* family, not just the individuals who qualify for federal assistance. Denying assistance to adults with drug convictions forces families to stretch their already meager budgets. Lifting the ban supports parents in caring for their families and rebuilding their relationships with their children.
- **The lifetime drug felony conviction ban is unjust and contradicts basic Judeo-Christian ethics that hold redemption and forgiveness as central values.** A permanent ban on receipt of benefits, regardless of what the individuals did after the conviction to repent and become productive citizens, is unjust and immoral. People who overcome an addiction, go to school, work, pay taxes or otherwise demonstrate their responsibility should not be punished for the rest of their lives by denying them help in times of need. No other type of felon is denied Food Stamps.

HB 1627

HB 1627 by Representative Elliot Naishtat would use the Low-Income Energy Assistance Program to maximize the federal Food Stamp benefits that eligible families receive.

Background: The role of deductions in calculating Food Stamp benefits.

A household's Food Stamp benefit allotment is based on both their earnings and expenses, such as shelter, utility, child care, and medical expenses. Just like our federal tax system, families receive specific deductions from their income based on these expenses. Food Stamp benefits are generally higher when the household's deductions are higher, because they reduce the family's net countable income. In other words, a family of four with \$1,000/month in net income gets more Food Stamps than a family with \$1,300 in net income. As a general rule of thumb, for every \$3 less in countable income, Food Stamp benefits increase by roughly \$1 up to the maximum benefits allotment for the household.ⁱ

The Role of the Low-Income Energy Assistance Program (LiHEAP) in calculating Food Stamp Benefits

The Low-Income Energy Assistance Program is a federally funded block grant that states use to help low-income residents pay their utility bills. Under federal Food Stamp regulations, receipt of a LiHEAP benefit, regardless of the amount, enables Food Stamp recipients to qualify for the higher utility deduction, known as the Standard Utility Allowance, or SUA. Families who receive the SUA generally qualify for more Food Stamp benefits. Though most Food Stamp recipients qualify for LiHEAP, inadequate funding limits the number of families who are served each year. Others may not meet the LiHEAP eligibility criteria, but still qualify for the SUA because they incur utility expenses. Unfortunately, many Food

Stamp recipients who qualify for the SUA *still* do not receive it, either because they do not know to report receipt of a LiHEAP benefit or do not understand how to report their utility expenses to their Food Stamp caseworker. HB 1627 seeks to remedy these problems.

What HB 1627 Would Do

Roughly half of all Food Stamp recipients already qualify for the SUA, either because they receive a LiHEAP payment or meet other criteria. HB 1627 would create a special LiHEAP program for Food Stamp recipients who do not already receive the SUA. Under this program, a Food Stamp recipient would receive a nominal \$1 annual LiHEAP payment. As noted above, receipt of LiHEAP payment entitles a Food Stamp household to have its utility costs calculated using the SUA.

Many Food Stamp households who would receive this special LiHEAP payment likely already qualify for the SUA—because they incur utility expenses or have applied for regular LiHEAP benefits—but do not know to report this to their Food Stamp caseworker. This is especially common in Texas where households file LiHEAP applications at local agencies that are independent of the Food Stamp office. Also, households in Texas commonly incur extra cooling costs in summer months, which they may not know to report to their Food Stamp caseworker.

HB 1627 would significantly increase Food Stamp benefits for hundreds of thousands of households. It would also simplify for Food Stamp workers the calculation of utility expenses, reducing workload and the risk for error.

States like Maine, Massachusetts, New York, Rhode Island and Vermont, and Washington all enacted similar policies.

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The Center for Public Policy Priorities is a nonpartisan, nonprofit policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans.

ⁱ "Heat and Eat: Using Federal Nutrition Programs to Soften Low-Income Households' Food/Fuel Dilemma," The Food Research and Action Center, March 11, 2009, http://www.frac.org/pdf/heat_and_eat09.pdf.