

HB 2666 by Naishtat

Human Services | Monday May 4, 2015

Directs HHSC to disregard the value of any cash assets and vehicles when determining eligibility for SNAP. HB 2666 has no fiscal note.

CPPP Position: Support

SNAP (Supplemental Nutrition Assistance Program), formerly known as food stamps, is the largest program for preventing hunger in Texas. It is designed to help individuals and families afford food when they go through a period of financial hardship. SNAP benefits are 100 percent federally funded but administered at the state level by the Texas Health and Human Services Commission (HHSC). 90 percent of Texans receiving SNAP are children or seniors. Adult recipients are required to work or participate in employment training through the Texas Workforce Commission (TWC).

Federal law gives states flexibility in setting income and asset eligibility criteria for SNAP to better meet the circumstances faced by low-income workers. **Thirty-six states have used that flexibility to completely remove the SNAP asset test as it disincentivizes saving.** In 2001, Texas instituted the current asset limit for determining eligibility for SNAP which is not tied to inflation and stops families from saving, trapping them in poverty and on government assistance.

For families to gain financial security and self-sufficiency, they must have a reliable transportation to work and they must accumulate savings as a cushion against emergencies. Yet in order to get the help they need temporarily to feed their families when incomes are tight, current policy forces individuals to spend down their savings or sell their car or truck to qualify for SNAP. Current rules keep families, especially two parent households, from saving their way to financial security.

Current Texas SNAP Eligibility Policy

Beyond having a gross income below 165 percent of the federal poverty limit (FPL), and net income below 100 percent FPL after taxes and standard deductions, as well as meeting immigration and work requirements, in order to qualify for SNAP in Texas households must meet asset limits:

- Total household assets cannot exceed \$5,000, including liquid assets and excess vehicle value. Liquid assets include cash on hand, money in checking or savings accounts, savings certificates, and stocks or bonds.
- The fair market value of one vehicle up to \$15,000 is excluded, but any value above that level is counted towards the \$5,000 total asset limit.
- \$4,650 of the fair market value of a second vehicle is excluded, but any value above that level is counted towards the \$5,000 asset limit.

Texas' current policy of denying SNAP to otherwise eligible families because they fail the asset test, endangers a family's ability to maintain access to employment opportunities and penalizes their efforts to prepare for a better future by saving.

A Case Study

The Wright family – 2 adults, 3 children

Savings of \$450

Dad earns \$12/hour and works 38 hours a week = \$1,961/month

Mom earns \$10/hour and works 20 hours a week = \$860/month

At \$2,821 a month for a family of 5, the Wrights are **INCOME ELIGIBLE** for SNAP

BUT

Dad's truck is worth \$13,000 –\$2,000 below the \$15,000 first vehicle limit

Mom's car is worth \$9,500 - \$4,850 above the \$4,650 second vehicle limit

With \$4,850 in excess car value and \$450 in savings the Wrights are **RESOURCE INELIGIBLE** for SNAP

HB 2666 directs HHSC to disregard the value of any liquid assets and vehicles of the applicant or recipient, or a member of his or her household, upon determining the initial determination or recertification of eligibility of a person for SNAP. **No significant fiscal implication to the State is anticipated.** Passage of HB 2666 would:

- Encourage, rather than discourage, savings and asset building among low-income families.
- Makes the enrollment and eligibility process easier for potential applicants to understand.
- Reduces administrative workload for enrollment staff at HHSC.

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