

FOR EDUCATIONAL USE ONLY
V.T.C.A., Human Resources Code § 33.002

Vernon's Texas Statutes and Codes Annotated [Currentness](#)

Human Resources Code [\(Refs & Annos\)](#)

Title 2. Department of Human Services and Department of Protective and Regulatory Services [\(Refs & Annos\)](#)

▣ [Subtitle C.](#) Assistance Programs

▣ [Chapter 33.](#) Nutritional Assistance Programs [\(Refs & Annos\)](#)

➔ **§ 33.002. Distribution of Commodities and Food Stamps**

- (a) The department is responsible for the distribution of commodities and food stamps allocated to the department by the federal government.
- (b) The department may enter into agreements with federal agencies that are required as a prerequisite to the allocation of the commodities or food stamps. The department may enter into agreements with eleemosynary institutions, schools, and other eligible agencies and recipients of the commodities and food stamps. The department administering the distribution of federal surplus commodities and other resources may cooperate with a municipality or county as necessary to properly administer that distribution.
- (c) The department shall establish policies and rules that will ensure the widest and most efficient distribution of the commodities and food stamps to those eligible to receive them.
- (d) The department shall continually monitor the expedited issuance of food stamp benefits to ensure that each region in the state complies with federal regulations and that those households eligible for expedited issuance are identified, processed, and certified within the timeframes prescribed within the federal regulations. As soon as practicable after the end of each fiscal year, the department shall report to the Governor's Office of Budget and Planning, the Legislative Budget Board, the state auditor, and the department's board members regarding its monitoring of expedited issuance and the degree of compliance with federal regulations on a region-by-region basis. The department shall notify members of the legislature and the standing committees of the senate and house of representatives having primary jurisdiction over the department of the filing of the report.
- (e) The department shall screen all applicants for expedited issuance on a priority basis within one working day. Applicants who meet the federal criteria for expedited issuance and have an immediate need for food assistance shall receive either a manual

Authorization-to-Purchase card or the immediate issuance of food stamp coupons within one working day.

(f) The department shall conspicuously post in each local food stamp office a notice of the availability of and procedure for applying for expedited issuance.

(g) The department may, within federal limits, modify the one-day screening and service delivery requirements prescribed by Subsection (e) if the department determines that the modification is necessary to reduce fraud in the food stamp program.

CREDIT(S)

Acts 1979, 66th Leg., p. 2354, ch. 842, art. 1, § 1, eff. Sept. 1, 1979. Amended by Acts 1985, 69th Leg., ch. 150, § 4, eff. Aug. 26, 1985; [Acts 1987, 70th Leg., ch. 1052, § 7.01, eff. Sept. 1, 1987](#); [Acts 1995, 74th Leg., ch. 655, § 8.09, eff. Sept. 1, 1995](#); [Acts 1995, 74th Leg., ch. 693, § 2, eff. Sept. 1, 1995](#); [Acts 2007, 80th Leg., ch. 963, § 6, eff. June 15, 2007](#).

HISTORICAL AND STATUTORY NOTES

2001 Main Volume

Section 1.09 of Acts 1997, 75th Leg., ch. 1153, provides:

"Expedited Food Stamp Delivery; Impact on Fraudulent Claims. (a) The Texas Department of Human Services shall conduct a study to determine the impact of the one-day screening and service delivery requirements prescribed by Subsection (e), Section 33.002, Human Resources Code, on the level of fraud in the food stamp program.

"(b) Not later than January 1, 1999, the department shall submit to the governor, the Legislative Budget Board, and the Health and Human Services Commission a report on the results of the study. The report must include:

"(1) detailed statistics by region on the number of fraudulent claims linked to the one-day screening and service delivery requirements; and

"(2) recommendations on modifying the one-day screening and service delivery requirements, as authorized by Subsection (g), Section 33.002, Human Resources Code."

The 1985 amendment added subsecs. (d) to (f).

The 1987 amendment, in subsec. (e), substituted "Texas Department of Human Services" for "Texas Department of Human Resources".

Prior Laws:

Acts 1939, 46th Leg., p. 544.
Acts 1941, 47th Leg., p. 914, ch. 562, § 1.
Acts 1953, 53rd Leg., p. 757, ch. 305, § 1.
Acts 1971, 62nd Leg., p. 2411, ch. 761, § 1.
[Vernon's Ann.Civ.St. art. 695c, § 7-A.](#)

LIBRARY REFERENCES

2001 Main Volume

[Agriculture](#) ~~2.5~~ to [2.7](#).
Westlaw Topic No. [23](#).
[C.J.S. Agriculture §§ 25, 27 to 29](#).

UNITED STATES CODE ANNOTATED

Food stamp program, see [7 U.S.C.A. § 2011](#) et seq.
Surplus commodities donated to states, see [7 U.S.C.A. § 1431](#).

NOTES OF DECISIONS

In general [1](#)
Contracts [2](#)

[1](#). In general

The actual administration and operation of the federal food stamp program is the exclusive responsibility of the State Department of Public Welfare (now the Department of Human Services) because of the specific provisions of federal law. Op.Atty.Gen.1969, No. M-382.

[2](#). Contracts

[Sections 4, 7, 7-A, and 39 of Vernon's Ann.Civ.St. art. 695c](#) (repealed; see, now, §§ 11.03, 21.006, 22.001, 22.002, 33.001 to 33.010) authorized the State Department of Public Welfare (now the Department of Human Services) to contract with counties for the purpose of carrying out the food stamp program authorized and required to be administered by the department, and the counties were authorized to expend county funds for the purpose of providing such facilities. Op.Atty.Gen.1971, No. M-812.

V. T. C. A., Human Resources Code § 33.002, TX HUM RES § 33.002
Current through Chapters effective immediately through Ch. 1430 (End) of the
2007 Regular Session of the 80th Legislature

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FOR EDUCATIONAL USE ONLY
V.T.C.A., Human Resources Code § 33.015

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Human Resources Code ([Refs & Annos](#))

Title 2. Department of Human Services and Department of Protective and Regulatory Services ([Refs & Annos](#))

▣ [Subtitle C.](#) Assistance Programs

▣ [Chapter 33.](#) Nutritional Assistance Programs ([Refs & Annos](#))

➔ **§ 33.015. Initial Establishment and Recertification of Eligibility for Certain Persons**

(a) In administering the food stamp program, the department shall, except as provided by Subsection (c), allow a person to comply with initial eligibility requirements, including any initial interview, and with subsequent periodic eligibility recertification requirements by telephone instead of through a personal appearance at department offices if:

- (1) the person and each member of the person's household have no earned income and are elderly or disabled; or
- (2) the person is subject to a hardship, as determined by the department.

(b) For purposes of Subsection (a)(2), a hardship includes a situation in which a person is prevented from personally appearing at department offices because the person is:

- (1) subject to a work or training schedule;
- (2) subject to transportation difficulties;
- (3) subject to other difficulties arising from the person's residency in a rural area;
- (4) subject to prolonged severe weather;
- (5) ill; or
- (6) needed to care for a member of the person's household.

(c) The department may require a person described by Subsection (a) to personally appear at department offices to establish initial eligibility or to comply with periodic eligibility recertification requirements if the department considers a personal appearance necessary to:

- (1) protect the integrity of the food stamp program; or
- (2) prevent an adverse determination regarding the person's eligibility that would be less likely to occur if the person made a personal appearance.

(d) A person described by Subsection (a) may elect to personally appear at department

offices to establish initial eligibility or to comply with periodic eligibility recertification requirements.

(e) The department shall require a person exempted under this section from making a personal appearance at department offices to provide verification of the person's entitlement to the exemption on initial eligibility certification and on each subsequent periodic eligibility recertification. If the person does not provide verification and the department considers the verification necessary to protect the integrity of the food stamp program, the department shall initiate a fraud referral to the department's office of inspector general.

CREDIT(S)

Added by [Acts 2001, 77th Leg., ch. 93, § 1, eff. Sept. 1, 2001.](#)

HISTORICAL AND STATUTORY NOTES

Tex. Admin. Code tit. 1, § 372.351

TEXAS ADMINISTRATIVE CODE
TITLE 1. ADMINISTRATION
PART 15. TEXAS HEALTH AND HUMAN SERVICES COMMISSION
CHAPTER 372. TEXAS WORKS
SUBCHAPTER B. ELIGIBILITY
DIVISION 6. RESOURCES

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Current through July 31, 2007

§ 372.351. What are resources in the TANF and Food Stamp programs?

(a) In the TANF Program, resources are cash (or its equivalent) and property that is convertible to cash (or its equivalent). This includes cash from income that is not obligated in the month of receipt, and lump sum payments that may be received intermittently and no more often than once annually.

(b) In the Food Stamp Program, DHS follows the definition of resources in [7 CFR §273.8\(c\)](#).

Source: The provisions of this §372.351 adopted to be effective March 17, 2004, 29 TexReg 2661; transferred effective April 1, 2004, as published in the Texas Register July 2, 2004, 29 TexReg 6359.

1 TAC § 372.351, 1 TX ADC § 372.351

1 TX ADC § 372.351

END OF DOCUMENT

Tex. Admin. Code tit. 1, § 372.352

TEXAS ADMINISTRATIVE CODE
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SUBCHAPTER B. ELIGIBILITY
DIVISION 6. RESOURCES

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Current through July 31, 2007

§ 372.352. How do resources affect eligibility in the TANF and Food Stamp programs?

In the TANF and Food Stamp programs, a household meets the resources eligibility requirement if the household's countable resources are at or below the applicable resource limits explained in §3.354 of this chapter (relating to What are the countable resource limits of the TANF and Food Stamp programs?).

Source: The provisions of this §372.352 adopted to be effective March 17, 2004, 29 TexReg 2661; transferred effective April 1, 2004, as published in the Texas Register July 2, 2004, 29 TexReg 6359.

1 TAC § 372.352, 1 TX ADC § 372.352

1 TX ADC § 372.352

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§ 372.353. How does DHS determine the value of a non-cash resource?

(a) DHS considers the value of a non-cash resource, except for a vehicle, to be the actual amount of money available from the sale of the resource, which DHS determines by subtracting from the resource's fair market value any money owed on the resource and any costs usually associated with selling the resource.

(b) DHS considers the value of a vehicle to be its fair market value.

Source: The provisions of this §372.353 adopted to be effective March 17, 2004, 29 TexReg 2661; transferred effective April 1, 2004, as published in the Texas Register July 2, 2004, 29 TexReg 6359.

1 TAC § 372.353, 1 TX ADC § 372.353

1 TX ADC § 372.353

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Tex. Admin. Code tit. 1, § 372.354

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§ 372.354. What are the countable resource limits of the TANF and Food Stamp programs?

(a) In the TANF Program, the limit of countable resources is \$1,000 and up to \$4,650 for one vehicle.

(b) In the Food Stamp Program, DHS follows [7 CFR §273.8\(a\) and \(b\)](#) in determining the limit of countable resources. Unless a household is categorically eligible for benefits under [7 CFR §273.2\(j\)](#), the countable resource limit for a household is thus:

- (1) \$2,000 (or \$3,000 if a member of the household is at least 60 years of age and disabled);
- (2) up to \$15,000 for the first vehicle; and
- (3) up to \$4,650 for each additional vehicle.

Source: The provisions of this §372.354 adopted to be effective March 17, 2004, 29 TexReg 2661; transferred effective April 1, 2004, as published in the Texas Register July 2, 2004, 29 TexReg 6359.

1 TAC § 372.354, 1 TX ADC § 372.354

1 TX ADC § 372.354

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Tex. Admin. Code tit. 1, § 372.355

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Current through July 31, 2007

§ 372.355. Whose resources does DHS count in determining TANF and Food Stamp program eligibility?

(a) In determining TANF eligibility, unless the resource is excluded under §3.356 of this chapter (relating to What resources does DHS count in the TANF Program?), DHS counts the resources of:

- (1) the members of the certified group;
- (2) each parent of a child in the certified group who lives in the household and is ineligible or disqualified from receiving TANF benefits;
- (3) each sibling of a dependent child in the certified group who lives in the household and is disqualified from receiving TANF benefits; and
- (4) in the case of a household containing a sponsored alien, the resources of the sponsor (and the sponsor's spouse).

(b) DHS follows [7 CFR §273.8](#) in determining whose resources are counted in the Food Stamp Program.

Source: The provisions of this §372.355 adopted to be effective March 17, 2004, 29 TexReg 2682; transferred effective April 1, 2004, as published in the Texas Register July 2, 2004, 29 TexReg 6359.

1 TAC § 372.355, 1 TX ADC § 372.355

1 TX ADC § 372.355

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Tex. Admin. Code tit. 1, § 372.357

TEXAS ADMINISTRATIVE CODE
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Current through July 31, 2007

§ 372.357. What resources does DHS count in the Food Stamp Program?

(a) In the Food Stamp Program, DHS follows [7 CFR §273.8](#) in determining what resources are counted, and [7 CFR §273.8\(e\)](#) in determining what resources are excluded.

(b) DHS also excludes:

- (1) up to \$2,000 of gifts annually from tax-exempt organizations provided to children with life-threatening conditions;
- (2) independent living payments to youths who are leaving foster care, as provided by the Social Security Act, Title IV-E ([42 U.S.C. §670](#) et seq.);
- (3) funds from work subsidy program earnings;
- (4) funds from payments of up to \$2,000 to Native Americans made under the federal Old Age Assistance Claims Settlement Act ([25 U.S.C. §2301](#)) or the federal Alaska Native Claims Settlement Act ([43 U.S.C. §1601](#));
- (5) funds from payments made to volunteers under Title I of the Domestic Volunteer Services Act of 1973 (regardless of whether the recipient was receiving food stamp benefits at the time of receipt);
- (6) funds from adoption subsidy payments made under Title IV-A and Title IV-E of the Social Security Act;
- (7) funds from insurance policy dividends; and
- (8) funds from veterans payments earmarked as a housebound allowance or as an aid and attendance allowance.

Source: The provisions of this §372.357 adopted to be effective March 17, 2004, 29

TexReg 2682; transferred effective April 1, 2004, as published in the Texas Register July 2, 2004, 29 TexReg 6359.

1 TAC § 372.357, 1 TX ADC § 372.357

1 TX ADC § 372.357

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Tex. Admin. Code tit. 1, § 372.358

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Current through July 31, 2007

§ 372.358. May members of a household transfer resources without affecting their eligibility for assistance under this chapter?

(a) In the TANF Program, DHS calculates a period of ineligibility based on the fair market value of a resource that the household transfers without compensation:

(1) during the three months before the application file date described in §3.903 of this chapter (relating to What is the application file date?), if the resource is countable under §3.356 of this chapter (relating to What resources does DHS count in the TANF Program?); and

(2) during any period in which DHS has certified the household for TANF benefits, if the resource is countable under §3.356 of this chapter.

(b) In the Food Stamp Program, DHS follows [7 CFR §273.8\(i\)](#) to determine whether a transfer of resources by an applicant or recipient affects the applicant's or recipient's eligibility.

Source: The provisions of this §372.358 adopted to be effective March 17, 2004, 29 TexReg 2661; transferred effective April 1, 2004, as published in the Texas Register July 2, 2004, 29 TexReg 6359.

1 TAC § 372.358, 1 TX ADC § 372.358

1 TX ADC § 372.358

END OF DOCUMENT

CLASP

CENTER FOR LAW AND SOCIAL POLICY

December 27, 2005

Mr. Clarence Carter
Deputy Administrator, Food Stamp Program
USDA Food and Nutrition Service
3101 Park Center Drive, Room 808
Alexandria, Virginia 22302

Dear Mr. Carter:

We are writing to follow up on the meeting that you and your colleagues at FNS had with Mark Greenberg from the Center for Law and Social Policy, Celia Hagert of the Center on Public Policy Priorities and Rochelle Watson of CFED on November 30, 2005. We very much appreciate your openness to working with us to explore ways to ensure that families participating in the SEED initiative do not lose access to the Food Stamp Program because they are participating in this initiative to promote savings for the future needs of children.

In the following paragraphs, we will provide background about the SEED initiative and the ways in which savings are structured under the initiative, and then seek your guidance about how states can act to ensure that funds deposited in SEED accounts are not treated as resources for purposes of the Food Stamp Program. Your guidance will be greatly appreciated by the participating programs and affected states.

The SEED Initiative

The Savings for Education, Entrepreneurship and Education (SEED) Initiative is a five-year project designed to help low-income, low-wealth children and youth save and invest in their futures. There are currently 12 community partners from various locations across the United States, including Puerto Rico and the Cherokee Nation. Families recently began saving and will continue to save into their SEED accounts for the next three years. SEED is serving children and youth ranging in age from pre-school to high school. The four age cohorts are pre-school, elementary school, middle school and high school. For those accountholders who will still be minors when the SEED program ends, there will be a rollover plan to preserve the account funds for their future purpose even after SEED is completed. Through evaluation data, we know that as of July 30, 2005, roughly 30 percent of SEED participants receive food stamps.

Based in large part on CFED's work with Individual Development Accounts (IDAs), SEED seeks to promote self-sufficiency by helping accountholders obtain an appreciating asset through saving for postsecondary education, business start-up or home purchase. In three sites, there are expanded uses. For instance, in Denver, which is serving foster youth, many of whom are in the process of aging out, youth can use their SEED accounts for vehicle purchase and rental assistance, as the Denver site has determined this will help promote independence among this population. At Juma Ventures, in San Francisco, participants can use their SEED accounts to purchase computers related to schooling. We have attached a document providing more detailed information about the twelve sites, match structure, and allowable uses at each site.

From an accountholder perspective, the way SEED works is this: accountholders and their families and communities will deposit money on the accountholder's behalf in a special account. Those savings will be matched by CFED and its community partners in a separate account. At the same time, the accountholders and their families will receive financial management education. The SEED accounts will consist of three parts: an initial deposit which varies in amount by community partner site; matches of deposits made by the accountholders themselves, their families and members of their communities; and benchmark incentives which will be given to the accountholder families to reward achieving certain goals. For instance, a deposit might be given to an accountholder's family for completion of a financial management course or a child's placement on the honor roll. These benchmark incentives are given to the family in hopes that the family will use them for the SEED accounts, but some community partners have given the families the option to use the benchmark incentives to meet more immediate needs. In all cases, there is an added incentive to deposit the benchmark payment because the community partner will match the amount. These periodic benchmark payments average \$25.

There are essentially two parallel accounts – one which includes the match and is completely inaccessible to the family and another one which includes the initial deposit (in some sites there is no initial deposit), the family's own savings and may include some benchmark payments. In all of the sites except Michigan, the latter account is a custodial account with the local SEED site as the custodian. Except in emergency circumstances, the custodial account may only be used for asset purchase. Emergency withdrawal is strongly discouraged, and in some sites completely disallowed, and must be approved by the SEED site director. Emergency withdrawal is limited to the funds deposited by the participant and does not include the initial deposit. Emergencies identified as good cause include health emergency of a child (not all of the families participating in SEED are Medicaid recipients or have health insurance), risk of eviction, and living expenses due to job loss. In such an event, participants may only withdraw their own monies and will forfeit any matching funds earned for the amount withdrawn.

In Michigan, the parent or guardian is the custodian of the 529 account which has a parallel match account owned by the state. Like all 529s, there are no limits on

withdrawals, but withdrawals for anything other than education carry a 10% penalty and are taxed as income. Parents understand that withdrawals are strongly discouraged. The match account is inaccessible to the family and funds can only be used for a qualified withdrawal for the named beneficiary, otherwise the funds will revert back to the state of Michigan.

Treatment of SEED accounts for Food Stamp Resource Purposes

In reviewing the Food Stamp Act and regulations, it appears to us that:

- funds in match accounts should be excluded from treatment as resources because they are not resources of the household, and
- a state can elect to exclude family contributions in SEED accounts from being treated as resources if the state excludes such accounts from being treated as resources under its TANF cash assistance or Section 1931 Medicaid program.

We will outline our analysis below. We would greatly appreciate if you could either let us know if you agree, or alternatively, let us know if you believe that there are alternative bases under which states could act to exclude SEED accounts from being treated as resources for food stamp purposes.

First, it appears to us that SEED funds deriving from initial deposits and matches from community partners are not resources of the household. The household has no ownership rights to these funds and cannot under any circumstances convert them to cash to meet household needs. The funds remain segregated from the household's contributions to its own account, remain under the control of the community partner, and do not belong to the household. Thus, it would seem clear that such funds do not fall within the definition of a resource for food stamp purposes.

For the family's funds, as noted above, there are two structures under the SEED demonstration:

- In eleven sites, the household's funds are in a custodial account, and cannot be withdrawn from the account except with the signature of the community partner, for emergency needs;
- In the twelfth site, the household's funds are in a Section 529 account for savings for postsecondary education; if the funds are withdrawn, the household both faces adverse tax consequences, and a 10% penalty.

While these structures differ, we think the legal analysis of a potential food stamp resource exclusion applies equally to both.

Under Section 5(e)(6) of the Food Stamp Act, [7 U.S.C. §2014(e)(6)],¹ a state may elect to exclude from treatment as a resource any financial resources that the state does not count as a resource for purposes of TANF cash assistance or Section 1931 Medicaid, provided that the state may not exclude cash, licensed vehicles, amounts in a financial institution that are “readily available” to the household, and such other resources as the Secretary determines by regulation should be counted because counting them is “essential to equitable determinations of eligibility under the food stamp program.”

To date, FNS has issued proposed, but not yet final, rules implementing these provisions. In questions and answers relating to the Farm Bill provisions, FNS expressly noted that while FNS was provided authority to specify resources that must be considered because doing so was “essential to fair determinations of food stamp eligibility and benefit amounts”, the agency advised states that “In the absence of such regulations, States should exercise their good judgment in identifying resources that should not be excluded.”²

The proposed rules, 69 Fed. Reg. 20724, 20759 (April 16, 2004), provide in relevant part that states must count amounts in any account in a financial institution that are readily available to the household, including money in checking or savings accounts, savings certificates, stocks, or bonds, and then explain:

The term “readily available” applies to resources, in a financial institution, that can be converted to cash in a single transaction, without going to court to obtain access or incurring a financial penalty other than loss of interest. State agencies may exclude deposits in individual development accounts (IDAs) made under written agreements that restrict the use of such deposits to home purchase, higher education or starting a business.

Under the above definition, it would seem clear that funds in SEED accounts should not be considered readily available, because it is not possible to access them without incurring a financial penalty other than loss of interest – any accessing of SEED funds, even for emergency uses, results in a corresponding loss of match funds which surely should be viewed as constituting a financial

¹ The relevant statutory language reads as follows:

EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

(A) **IN GENERAL.**—Subject to subparagraph (B), a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or
(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

(B) **LIMITATIONS.**—Except to the extent that any of the types of resources specified in clauses (i) through (iv) are excluded under another paragraph of this subsection, subparagraph (A) does not authorize a State agency to exclude—

(i) cash;

(ii) licensed vehicles;

(iii) amounts in any account in a financial institution that are readily available to the household; or

(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program.

² **Questions and Answers Regarding the Food Stamp Program (FSP) Certification Provisions of the Farm Bill, Question 4107-1**, http://www.fns.usda.gov/fsp/rules/Legislation/2002_farm_bill/farmbill-QAs.htm.

penalty. In addition, funds in SEED accounts are closely analogous to IDA funds, for which the proposed rules provide an express exclusion. Finally, should there be any ambiguity, we would contend that, consistent with FNS' questions and answers, a state can exercise its own good judgment to conclude that SEED funds are not readily available pending promulgation of final regulations.

Conclusion

In a number of instances, states may wish to be supportive of the SEED initiative, but will want to ensure that they are fully complying with Food Stamp Program requirements in any exclusion of SEED funds from treatment as resources. Accordingly, it would be very helpful if you could respond to this letter by letting us know whether you agree that funds in a community partner's account are not resources to the household, and a state can elect to exclude funds in a household's SEED account if the funds are also excluded as a resource for purposes of TANF cash assistance or Section 1931 Medicaid.

Please let us know if we can provide any additional information. Thanks very much for your consideration.

Sincerely,

Mark Greenberg
Director of Policy

Amy-Ellen Duke
Policy Analyst



FEB 2 2006

United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1600

Mr. Mark Greenberg
Director of Policy
Center for Law and Social Policy
1015 15th St., NW, Suite 400
Washington, DC 20005

Dear Mr. Greenberg:

Thank you for your December 27, 2005 follow up letter concerning our November 30, 2005 meeting with the Center on Public Policy Priorities and the Corporation for Enterprise Development which included a discussion of the Savings for Education, Entrepreneurship and Downpayment (SEED) initiative. This initiative is designed to help low-income, low-wealth children and youth save and invest in their futures. You are interested in ensuring that families participating in the SEED initiative do not lose access to the Food Stamp Program (FSP) due to program resource policies.

We have reviewed these policies and concur in the analysis set forth in your letter. Funds in SEED accounts would not be considered household resources for FSP purposes as long as they are inaccessible to households for the purchase of food. However, funds, which can in any way be accessed by households for this purpose, must be considered resources unless a State excludes them under its TANF cash assistance or Section 1931 Medicaid programs and chooses to exclude them for FSP purposes. Such funds, containing cash or which are readily available to households, cannot be excluded. States can currently define the term "readily available" as they see fit.

Thank you for your interest in our program. If I can be of any further assistance, please let me know.

Sincerely,

Clarence H. Carter
Deputy Administrator
Food Stamp Program



IMPROVING THE FOOD STAMP PROGRAM

The Feeding America's Families Act and the 2007 Farm Bill

Every five years, Congress must reauthorize the Farm Bill, which provides funding for agriculture subsidies, conservation programs, and certain nutrition programs. The nutrition title of the Farm Bill authorizes the Food Stamp Program and The Emergency Food Assistance Program (TEFAP). The 2007 Farm Bill presents an opportunity to strengthen these programs. Several bills have been filed to establish priorities for the nutrition title in the 2007 Farm Bill. The most comprehensive piece of legislation is the Feeding America's Families Act (H.R. 2129), introduced by Representatives Jim McGovern (D-MA) and Jo Ann Emerson (R-MO) on May 3, 2007. This bi-partisan legislation would strengthen the Food Stamp Program and increase the capacity of emergency food providers. This *Policy Page* reviews the timeline for the 2007 Farm Bill, outlines the key features of H.R. 2129, and suggests actions you can take to build momentum for a strong nutrition title in the 2007 Farm Bill.

2007 FARM BILL TIMELINE

In late May or early June, the House and Senate Agriculture Subcommittees will begin "marking up" or making preliminary decisions about the Farm Bill. Both the House and Senate Agriculture Committees will present their Farm Bill proposals to their respective chambers before the July 4 recess. The House of Representatives and the Senate are expected to vote on these proposals later in July. A final agreement must be reached by October 1, 2007 – the deadline to reauthorize the Farm Bill.

THE FEEDING AMERICA'S FAMILIES ACT

Roughly 2.3 million Texans rely on Food Stamps to purchase food each month. Although Food Stamps have been enormously successful in reducing childhood hunger, cuts to the program in 1996 have undermined its effectiveness.

Many households that receive Food Stamps also rely on the aid of emergency food providers because their Food Stamp benefits often run out before the end of the month. In a study by America's Second Harvest — The Nation's Food Bank Network, researchers found that more than half of Food Stamp recipients in their emergency food network reported running out of their monthly Food Stamps within two weeks, and over 80 percent ran out by three weeks into the month.¹ When their Food Stamp benefits run out, families either have to cut back on food or choose less expensive, less healthy food.

There are also millions of Texans who do not receive Food Stamps, even though they qualify and are in desperate need of assistance, either because they are deterred by the

¹ "Hunger in America, 2006," America's Second Harvest, <http://www.hungerinamerica.org/>.

complicated enrollment process or don't know they are eligible. Finally, millions of families in Texas and across the nation must choose between saving for the future and meeting their basic needs, due to the Food Stamp Program's outdated limits on savings and other liquid resources.

Representatives McGovern and Emerson have introduced the Feeding America's Families Act to address these problems and strengthen the Food Stamp Program's ability to meet the nutritional needs of low-income Americans. The legislation would improve benefits levels for Food Stamp recipients, restore cuts in eligibility made in 1996, and increase access to the program by investing in outreach and program simplification. Though it is unlikely to pass, the bill is intended to establish priorities for the nutrition title of the 2007 Farm Bill, and many of its provisions could be included in the final Farm Bill.

Restoring the Purchasing Power of Food Stamp Benefits

In 1996, as part of federal welfare reform, Congress enacted two across-the-board cuts in the Food Stamp benefit. As a result of these cuts, the Food Stamp benefit for a typical working parent with two children in Texas will be about \$37 per month (\$450 per year) less in 2008 than it would have been before the cuts. H.R. 2129 would undo these cuts, restoring the Food Stamp Program's ability to help low-income families purchase a nutritionally adequate diet. It would also increase from \$10 to \$30 the minimum Food Stamp benefit, a change that would largely benefit seniors.

Adjusting Benefits to Respond to Food Inflation

The maximum amount of Food Stamp benefits that a family may receive is based the cost of the U.S. Department of Agriculture's Thrifty Food Plan (TFP), a diet plan intended

to provide adequate nutrition at a very modest cost.²

In 1996, Congress reduced the Food Stamp Program's maximum benefit level from 103 percent of the cost of USDA's "thrifty" food plan to 100 percent of the TFP. The maximum benefit had been set at 103 percent of the cost of TFP to reflect the fact that there is a 4-to-16 month lag between the month for which USDA estimates the cost of the TFP (June of each year) and the months for which the benefit levels based on that cost are in effect. As a result of the cut, Food Stamp benefits are no longer sufficient to purchase the thrifty food plan in any given month, because Food Stamp benefit levels reflect the cost of food *in the previous June* rather than current food costs. Evidence also suggests that the TFP is already inadequate to purchase a diet that is consistent with the federal government's most recent nutrition guidelines.³

H.R. 2129 would restore the maximum Food Stamp benefit to 103 percent of TFP by 2012.

Indexing to Inflation the "Standard Deduction"

H.R. 2129 would improve the purchasing power of Food Stamps by increasing the "standard deduction" to reflect increases in the cost of living.

² USDA estimates the monthly costs of purchasing food for eating at home under four different official food plans: the thrifty, low-cost, moderate-cost, and liberal plans (see <http://www.cnpp.usda.gov/USDAFoodPlansCostofFood.htm>).

³"The Real Cost of a Healthy Diet," Boston Medical Center, August 2004. In this study, a team of pediatricians and researchers found that, in Boston neighborhoods in 2004, a family would need \$27 more than the official TFP each month to actually purchase the TFP, and \$148 more a month to purchase a diet consistent with the federal government's nutrition guidelines.

save for the future while meeting their basic needs.

H.R. 2129 would extend Food Stamp eligibility to all legal immigrants, eliminating the current five-year waiting period for adult legal immigrants. It would also repeal the arbitrary time limit on Food Stamp eligibility for jobless, childless adults, and give states greater flexibility to provide Food Stamps to individuals reentering society after being released from prison.

Increasing Access

In Texas, less than half of eligible households participate in the Food Stamp Program. This means that many low-income families who need Food Stamps are not receiving them. It also means that Texas loses more than a billion dollars of federal revenue each year that could be used to provide food assistance to needy families. CPPP estimates that Texas would have received an additional \$900 million in fiscal year 2005 if the state reached just 60% of the population eligible for Food Stamps.⁶

H.R. 2129 would increase federal funding for Food Stamp outreach to improve awareness and increase participation among eligible families. States would also be eligible for funds to identify and implement practices to increase program access.

Incentives for States

HR 2129 would increase bonus funds to states that improve Food Stamp program access and reduce error and fraud.

States would also be eligible to receive bonuses for testing innovative solutions to improve program operations, effectiveness, and

⁶ See http://www.cppp.org/files/3/Food%20Stamp%20Participation%20By%20County_2005.pdf for CPPP's estimates of Food Stamp participation and lost federal revenue by county.

participation. States would also be eligible for grants to help expand the number of farmers markets that accept Food Stamps.

Support for the Emergency Food Network

The Emergency Food Assistance Program (TEFAP) provides USDA commodity foods to food banks and other emergency food providers. H.R. 2129 would increase TEFAP funding to \$250 million a year and index annual funding to inflation.

In Texas, TEFAP is called the Texas Commodities Assistance Program (TEXCAP). The state administers TEXCAP through a contract with 14 food banks, which distribute the commodities via their network of 3,600 agencies covering all of Texas' 254 counties. With the support of TEXCAP, Texas food banks distribute over 205 million pounds of food each year to more than 2 million needy individuals.

Conclusion

The Feeding America's Families Act would make a significant overall investment in strengthening the federal nutrition safety net. It makes badly needed changes to the Food Stamp Program that would strengthen its ability to help more needy families afford an adequate diet. For the full text of H.R. 2129, please visit: http://www.frac.org/pdf/FAF_ActText07.pdf.

HOW YOU CAN SUPPORT H.R. 2129 & A STRONG NUTRITION TITLE IN THE 2007 FARM BILL

Contact Members of Congress

Representative Collin Peterson (D-MN) and Senator Tom Harkin (D-IA) are the respective chairs of the House and Senate Agriculture Committees. Please contact Representative Peterson and ask him to support a strong Farm Bill nutrition title by coauthoring and/or supporting the Feeding America's

Families Act. Also contact Senator Harkin and urge him to help strengthen the Food Stamp Program by supporting the provisions in H.R. 2129.

Texas has four members on the House Agriculture Committee: Representatives Nick Lampson (22th CD), Henry Cuellar (28th CD), Randy Neugebauer (19th CD) and Michael Conaway (11th CD). If you live in one of these members' districts, contact them and urge them to support the provisions in H.R. 2129.

Visit <http://www.capitol.state.tx.us/> to find out who represents you in Congress.

National Day of Visit & Calls

On May 22, 2007, please join anti-hunger advocates around the country in urging all Members of Congress to support a strong nutrition title in the 2007 Farm Bill. Call your Members of Congress (or their nutrition policy staffers) in their Washington, D.C., offices and tell them why you support a strong Food Stamp Program.

Participate in the "Food Stamp Diet Challenge"

Across the country, many people are taking the "Food Stamp Diet Challenge" by eating on a Food Stamp allotment for a week. This means using only \$21 (\$1 per meal) to purchase groceries for an entire week.

The Capital Area Food Bank and CPPP have challenged all Central Texans to take the Food Stamp Diet Challenge from May 15-21, 2007. For information or to sign up for the Challenge, visit www.austinfoodbank.org.

Participants will experience first-hand the difficulties of making their Food Stamp benefits last the whole week and purchasing nutritional meals with such a meager allotment. By participating in the Food Stamp Diet Challenge, you can increase

awareness of why a strong nutrition title in the 2007 Farm Bill is so important.

The Center for Public Policy Priorities is a nonpartisan, nonprofit policy research organization committed to improving conditions for low- and moderate-income Texans. Learn more at www.cppp.org.