

BILL ANALYSIS

C.S.H.B. 1627
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Human Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Even before the current economic crisis, almost one in four Texas children lived in poor families, and one in seven Texas families was at risk of hunger, giving Texas the third highest rate of food insecurity in the nation. The food stamp program is specifically designed to help families bridge the gap between earnings and expenses during periods of unemployment or underemployment. In fact, the most common factor in a person's decision to use or stop using food stamps is the loss or gain of employment.

Food stamp caseloads are projected to rise in the next two years due to the economy. Currently, the Health and Human Services Commission (HHSC) does not have sufficient staff to process applications for food stamps within federal standards on timeliness, resulting in serious delays in getting benefits to needy families. One way to eliminate these delays is to reduce the workload of the HHSC staff by reducing the time it takes to process each application for benefits. To qualify for food stamps, families must have low income and limited resources. When calculating a household's food stamp benefit allotment, HHSC takes into account a family's total earnings as well as their expenses, including shelter and utility, child care, and medical expenses. A family receives a deduction from the family's earnings to calculate the family's food stamp allotment. There are three types of utility-related deductions: the standard utility allowance, the basic utility allowance, and actual expenses. Calculating which deduction to apply for each applicant is time-consuming and prone to error.

Under current HHSC rules, a person who receives a payment under the federally funded Low-Income Home Energy Assistance Program (LIHEAP) automatically qualifies for the standard utility allowance. Under federal law, a person who is eligible for food stamps is categorically eligible for LIHEAP. Due to limited federal funding, however, not all food stamp households receive a LIHEAP payment. The bill makes all food stamp recipients qualify for the standard utility allowances, reducing the workload of the HHSC staff, reducing the risk of error when calculating benefit allotments, and increasing food stamp benefits for some clients.

C.S.H.B. 1627 requires the Texas Department of Housing and Community Affairs to enter into an interagency agreement with HHSC to provide a payment of \$1 annually under LIHEAP to each household that receives food stamp benefits if the household is not already receiving such a payment.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1627 amends the Government Code to require the Texas Department of Housing and Community Affairs (TDHCA) to enter into an interagency agreement with the Health and Human Services Commission (HHSC) to provide a payment of \$1 each year under the Low-

Income Home Energy Assistance Program to each household that receives food stamp benefits if the household is not receiving a standard utility allowance under the food stamp program and if the payment will likely result in an increase in the household's food stamp benefits. The bill requires the interagency agreement to specify that HHSC will issue the payments; to require TDHCA to transfer to HHSC funds, including sufficient administrative funds, to provide the payments; and to specify the method that HHSC will use for providing payments.

C.S.H.B. 1627 requires the TDHCA and the HHSC, not later than November 1, 2009, to enter into the agreement. The bill requires HHSC to begin making payments under the Low-Income Home Energy Assistance Program to recipients of food stamp benefits not later than December 1, 2009.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1627 differs from the original by clarifying that a household is eligible to receive a \$1 payment under the Low-Income Home Energy Assistance Program if the household is not otherwise receiving a standard utility allowance under the food stamp program and if the payment will likely result in an increase in the household's food stamp benefits, rather than if the household is not otherwise receiving assistance under the Low-Income Home Energy Assistance Program as in the original. The substitute differs from the original by removing the specification included in the original that the payment under the program is automatic. The substitute adds provisions not included in the original setting forth the requirements of the interagency agreement.

C.S.H.B. 1627 differs from the original by requiring the Health and Human Services Commission, rather than the Texas Department of Housing and Community Affairs, to make the payments under the Low-Income Home Energy Assistance Program.