

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 25, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB948 by King, Susan (Relating to the operation and administration of the supplemental nutrition assistance program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Health and Human Services Commission (HHSC) to develop and apply for a waiver to establish two pilot programs in the Supplemental Nutrition Assistance Program (SNAP) and to collaborate with a private or independent institution of higher education to provide an evaluation and update on the pilot projects to the legislature.

The bill would require HHSC to encourage a retailer to promote the purchase of healthy foods with SNAP benefits and discourage a retailer from advertising participation in SNAP near food of minimal nutritional value.

The bill would require HHSC to submit to the legislature on December 1 of each even-numbered year a report on its efforts to encourage the purchase of healthy foods and discourage the purchase of minimally nutritious foods in SNAP.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If not, the bill would take effect September 1, 2013.

Federal law, Title 7, United States Code, Chapter 51, Section 2012(k), and Title 7, Code of Federal Regulations, Section 271.2, define eligible foods as "any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption." Federal law also requires that retailers accept Electronic Benefit Transfer (EBT) cards from all states and jurisdictions. Food and Nutrition Services (FNS) has not allowed any state to restrict allowable food purchases beyond the eligible food items defined by Congress. HHSC anticipates the pilot project prohibiting the purchase of food with minimal nutritional value would not be approved.

Based on the analysis of HHSC, implementing the provisions of the bill, including applying for federal approval, adopting rules, training staff, and conducting client and retailer outreach, could be accomplished by utilizing existing resources. HHSC estimates there would be a minimal cost for contracting with an institution of higher education to conduct the study on the healthy food incentive SNAP pilot program, but that the agency could absorb this cost.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CL, ES, VJC