SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2216

SPONSOR: Senator Lawson

SUBJECT: Food Stamp Eligibility/Vehicles

DATE: April 10, 2001 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Barnes	Whiddon	CF	Favorable
2.			AHS	
3.			AP	
4.				
5.				
6.				

I. Summary:

Senate Bill 2216 requires that, for purposes of food stamp eligibility, the Department of Children and Family Services (department) adopt more favorable methodologies within the provisions of Pub. L. No. 106-387, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, for valuing vehicles as assets. The bill directs the department to use the current Temporary Assistance for Needy Families (TANF) rules, which would allow families a combined equity exclusion of $8,500 for all household vehicles against the limit of $2,000 of family resources for eligibility for food stamps instead of the current vehicle exclusion of $4,650. The department is authorized to adopt rules to implement the provisions and is required to implement the rules by January 1, 2002.

This bill amends section 414.31, of the Florida Statutes.

II. Present Situation:

Section 414.31, F.S., designates the Department of Children and Family Services (department) as the agency responsible for the administration and operation of the federal food stamp program. The food stamp program is authorized by the Congress of the United States and administered by the Department of Agriculture to end hunger and improve nutrition and health. The program helps low-income households purchase the proper food for a nutritionally adequate diet. The program is operated by the states with federal oversight. To be eligible for food stamps, a household must meet certain eligibility standards that include income and resources, employment and other standards.

The gross monthly income of most households must be 130 percent or less of the federal poverty guidelines ($1,533 per month for a family of three). Net monthly income must be 100 percent or less of federal poverty guidelines ($1,180 per month for a household of three). Net income is figured by adding all of a household's gross income and then taking a number of approved deductions for child care, some shelter costs and other expenses. Households with an elderly or disabled member are subject only to the net income test.

The amount of food stamp benefits an eligible household receives depends on the number of people in the household and the amount of income for the entire household. For example, a household of three people with no income can receive up to $329 a month in benefits.

Under federal law, households may have no more than $2,000 in countable resources, such as a bank account, to be eligible for food stamps ($3,000 if at least one person in the household is age 60 or older). Certain resources such as a home and lot and vehicles up to a certain value are not counted.

In 1977, Congress set $4,650 as the value of a car that is not counted against the $2,000 limit on household resources for food stamp eligibility. This allows a family to have a car to get to work, child care and medical care.

All licensed vehicles, unless excluded, are evaluated for their fair market value (each vehicle is appraised independently). Current state eligibility rules for the food stamp program use the fair market value of vehicles to determine the value of vehicles as a family resource. To determine the fair market value, the wholesale value of the vehicle is established using the National Automobile Dealers Association (NADA) book value. Then $4,650 is subtracted from the wholesale value and any remainder is counted as an asset to the assistance group. The asset value counts regardless of the amount owed on the vehicle.

In 1998, Public Law 106-387, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, amended the Food Stamp Act of 1977 to allow state agencies, when determining food stamp eligibility, to use its Temporary Assistance for Needy Families (TANF) vehicle allowance rules, rather than the food stamp program fair market value rules, when it will result in a lower attribution of household resources.

For TANF eligibility, Florida has a combined equity exclusion of $8,500 for all vehicles. This exclusion was established by the 1996 Legislature in s. 414.075, F.S., for the WAGES program to allow families to have adequate transportation for training, employment and educational purposes.

Under the 1998 federal law, states may adopt vehicle allowance rules for any program that receives TANF or TANF maintenance-of-effort (MOE) funds as long as that program provides benefits that meet the definition of "assistance" under the TANF regulations. If a state applies the policies from a TANF or MOE-funded program to evaluate vehicles for food stamp purposes, those policies must apply to all food stamp households in the state, whether or not they receive or are eligible to receive TANF assistance of any kind.

III. Effect of Proposed Changes:

SB 2216 amends s. 414.31, F.S., requiring that the state comply with the provisions of Public Law No. 106-387, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, in the determination of food stamp eligibility, and to adopt the more liberal methodologies than are allowed in the regular food stamp rules for valuing vehicles as assets. The department must exclude from consideration as an asset the value of the vehicles of food stamp applicants and recipients to the same extent that vehicles' values are financially excluded as assets under any program providing assistance under the Title IV, Part A programs (TANF). The bill requires the state to apply the most favorable rules for resource exclusion and the most favorable rules for treating non-primary vehicles from either the food stamp program or part A, Title IV programs. The department is authorized to adopt rules to implement the provisions and is required to implement the rules by January 1, 2002.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

SB 2216 should result in more eligible persons gaining access to the food stamp program and more persons having a vehicle to get to work in order to become self-sufficient.

C. Government Sector Impact:

The Department of Children and Family Services reports that SB 2216 should increase the food stamp caseload but will result in no additional costs to the state because the food stamp program is totally funded by the federal government.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The U.S. Department of Agriculture recently held National Food Stamp Conversation 2000, a broad-based dialogue among a wide range of stakeholders about the future of the Food Stamp program. The participants believe that the food stamp program works but can do better. Among the suggestions for improving the food stamp program was to provide more assistance to working families. The stakeholders emphasized that food stamps can ease the difficult transition from welfare to work, yet program rules and practices often make it hard for workers to participate, and many do not. Limits on the value of cars can be particularly troublesome for families who need reliable transportation to get to work.

Improving access to the program was also stressed by the participants. Research indicates that less than 60 percent of the people eligible for benefits participate. Better information, better practices, and better policies can reduce the obstacles that keep benefits from those working families who are eligible for the food stamp program.

VIII. Amendments:

None.