



END HUNGER CONNECTICUT! Inc.

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Testimony in **support of S.B. 1156: An Act Aligning the Food Stamp Program Motor Vehicle Rule with the Care4Kids Motor Vehicle Rule and in opposition to S.B. 1121: An Act Concerning State-funded Food Stamps for Legal Immigrants, and in support of SB 146: An Act Creating an Earned Income Credit against the Personal Income Tax**

Human Services Committee

February 27, 2007

Good Day, Senator Harris, Representative Villano and members of the Human Services Committee. My name is Lucy Nolan and I am the Executive Director of End Hunger Connecticut!, a statewide anti-hunger and food security organization with over 1,000 members, most of whom are the states emergency food sites. I plan to address two bills pertaining to the Food Stamp Program; one which we wholeheartedly support, S.B. 1156: An Act Aligning the Food Stamp Motor Vehicle Rule with the Care4Kids Motor Vehicle Rule and one which we do not, S.B. 1121: An Act Concerning State-funded Food Stamps for Legal Immigrants. End Hunger Connecticut! also supports the SB An Act Concerning the State Earned Income Tax Credit.

S.B. 1156: An Act Aligning the Food Stamp Motor Vehicle Rule with the Care4Kids Motor Vehicle Rule

While the Food Stamp Program (FSP) is at the very core of our nation's nutrition assistance programs it proves to be the most burdensome to navigate. Aligning the food stamp motor vehicle rules with the Care4Kids asset guidelines allows the Department of Social Services (DSS) to take full advantage of federal options to simplify the FSP. This is beneficial for both clients and DSS; it will cut down on paperwork and time needed to complete an application.

In July 2001, Title 4 of the federal Agriculture Appropriations Act gave states the option to align the current food stamp vehicle allowance with less stringent TANF-MOE-funded Assistance Programs, such as Temporary Family Assistance (TFA) or Care4Kids. In 2002, Connecticut Public Act 02-37 aligned Connecticut's food stamp motor vehicle allowance with the TFA motor vehicle rules. Right now a food stamp household can have one car with an equity value of \$9500; all other cars must meet the fair market value threshold of \$4,650.

According to the Center on Budget and Policy Priorities twenty-eight states exclude the value of all vehicles and fourteen states exclude the value of at least one vehicle per household. Currently ten states use childcare assistance guidelines to craft their food stamp motor vehicle rules. Only nine states, including Connecticut, do not exclude the value of any vehicles in their FSP eligibility guidelines.

CENTER ON BUDGET AND POLICY PRIORITIES

Nationwide Vehicle Asset Guidelines

- 28 states, including the District of Columbia, exclude the value of all vehicles from food stamp eligibility determinations
- 7 states exclude the value of one vehicle per adult and then apply federal food stamp rules to subsequent vehicles
- 5 states exclude the value of one vehicle per household and then apply federal food stamp rules (or similar rules) to subsequent vehicles
- 1 state excludes all vehicles for households with children and one vehicle for other households
- 1 state excludes vehicles based on characteristics or use of the vehicle (excluding most vehicles)
- 8 states apply a value or equity test higher than the federal rule, generally to the first vehicle (and then apply food stamp rules to additional vehicles).
- 1 state maintains the old federal food stamp rules

The current vehicle allowance is counter-productive to families who depend on reliable transportation to get to work. We ask families to find gainful employment yet we limit the value of their cars. When families lose their jobs due to downsizing, or another reason completely out of their control, a reliable car can prove to be an obstacle to gaining food stamps. If the purpose of welfare reform is to help families find good, well paying jobs, we must be willing to support them in the process.

Aligning asset guidelines will also have a positive impact on DSS eligibility workers. It will allow these workers to do away with the tedious motor vehicle asset rules. Often workers spend hours trying to sort out all of the cars registered to a household, what the values of these cars are and how it will impact the eligibility determination.

Many times households have “junk cars” sitting in their driveway and they must prove that they are no longer operable since they are still registered with the Department of Motor Vehicles. That is exactly how this issue originally surfaced in our office. One of our food stamp outreach workers was assisting a family with two small children from Putnam that had to drive an hour to the Willimantic DSS office to apply for the program. Even after they had gone through the interview process it took weeks to prove the value of their three cars. Two of the cars were sitting in the backyard, broken down and inaccessible, causing an unneeded delay in their receipt of food stamps.

Aligning Connecticut's food stamp motor vehicle rule with the Care4Kids guidelines has no absolutely no cost and requires only a technical change in Connecticut statute. The Office of Policy and Management analyzed this proposal and found it cost neutral to the state. Food stamp benefits are completely federally funded. In addition, extra food stamp dollars coming into our state creates economic stimulus in our communities and towns. The USDA reports that every \$5 in new food stamp benefits generates nearly \$10 in total community spending.

While this change may seem technical it will have a significant impact on families applying for food stamps, those already receiving and DSS workers who administer the program. S.B. 1156 is a way to make a difference with no price tag attached.

S.B. 1121: An Act Concerning State-funded Food Stamps for Legal Immigrants

The State Supplemental Food Stamp Program (SSFS) was enacted in the 1997 legislative session as a response to the 1996 federal welfare reforms, which discontinued federally funded food stamps for all legal immigrants. SSFS, funded through the General Fund, is essentially the same as the federal Food Stamp Program (FSP) and prior to June 30, 2003 was available to all legal immigrants that had lived in Connecticut for at least six months and met food stamp eligibility requirements. In 2003 Governor Rowland instituted a 25% reduction in the SSFS food stamp benefit. This bill makes permanent that reduction.

In February 2007 the State-funded Program for Legal Immigrants provided benefits to 159 assistance units (households) at a cost to the state of \$18,056. This is an average benefit of \$114/ month per assistance unit. Historically, SSFS caseloads remain steady, with as many coming on to the program as those leaving.

This is a small program that provides a big benefit to new immigrants, legally residing in CT, who are otherwise ineligible for federal food stamps. Many legal immigrants come to this country to make a new start and offer us in return their cultural experiences, creativity and, once settled and working, a strong tax base. The Food Stamp Program allows for legal immigrants to choose the foods they know how to cook rather than the foods given to them at a food pantry, which may be difficult to prepare and eat for them. The SSFS program helps families get on their feet and become productive and healthy residents in Connecticut.

In our assessment of Governor Rell's budget, the \$276,517 recommended for state fiscal year 08-09 is enough money to fully fund this program and provide all recipients with the full 100% benefit level. End Hunger Connecticut! asks that you reject this bill.

SB 146: An Act Creating an Earned Income Credit against the Personal Income Tax

End Hunger Connecticut! supports SB 146 An Act Creating an Earned Income Credit against the Personal Income Tax. This credit is a proven vehicle to create upward mobility for working low-income families. Those that take advantage of this credit are

able to use it to increase their own financial self-worth. It may be used to buy a used car in order to make getting to work that much easier and, in many cases, may mean actually getting to work, buying much needed clothing for kids, paying off debt and even saving money for a rainy day. This credit gives low-income working families the tools to be more self-sufficient and forward moving. Additionally, the money recovered by these working families is used in the very neighborhood that the family lives in, thereby helping that community as well as the family that lives in it.

End Hunger Connecticut! supports the creation of a state Earned Income Tax Credit as it puts money in the pockets of those who are doing everything right and yet cannot make ends meet. When family's budgets are tight, it is often the ability for that family to buy food. We know, through our work with the food pantries and soup kitchens, that they are seeing more and more working people coming to them for help with food. We have a chance to reward work with this credit, to strengthen family's health and very possibly put food in their mouths and wholeheartedly support the passage of this bill.

Thank you.