

AES Comments: FNS Proposed Rules for Student Eligibility, Convicted Felons, Lottery and Gambling and State Verification Provisions of the Agricultural Act of 2014

The Texas Health and Human Services Commission (HHSC) appreciates the opportunity to provide comments on the Supplemental Nutrition Assistance Program: Student Eligibility, Convicted Felons, Lottery and Gambling and State Verification Provisions of the Agricultural Act of 2014 as requested in the *Federal Register* Vol. 81, No 231, issued on December 1, 2016 [FNS 2015-0038].

The Food and Nutrition Service (FNS) proposes to amend:

- 7 CFR §273.11(r) to disqualify any household certified to receive benefits who has received substantial lottery or gambling winnings; and
- 7 CFR §273.11(r)(2)(ii) to annually adjust the value of what is considered substantial winnings.

HHSC's comments on 7 CFR §273.11(r) is as follows:

- HHSC requests FNS to clarify whether the proposed disqualification in 7 CFR §273.11(r) would apply to categorically eligible households as defined in 7 CFR §273.2(j)(2) or 7 CFR §273.2(j)(4). As stated in 7 CFR §273.8(a), categorically eligible households do not have to meet the resource limits.
- For states that apply a resource test, 7 CFR §273.11(r) is an ineffective duplication of effort. HHSC imposes a resource limit which is significantly lower than the proposed threshold. Households with countable assets exceeding the state's resource limit are ineligible, making an additional disqualification unnecessary. HHSC proposes FNS considers making the implementation of this disqualification provision optional for states with an existing, more restrictive resource limit.
- The proposed threshold calculation in 7 CFR §273.11(r)(2), would place an undue burden on states if adjusted annually based on changes to the Federal Poverty Limits. The changes to the Federal Poverty Limits have been minimal in recent years. When recalculating the annual threshold by using the new gross income amount for a family of 3, multiplied by 12 and rounding to the nearest \$5,000, it is likely the threshold may not change for years. However, states would be required to allocate policy and IT resources each year to determine impacts of the potential adjusted threshold amount. States would also be holding system hours pending the determination of the new threshold amounts. HHSC proposes FNS implements a static threshold amount for substantial lottery or gambling winnings.