



HOUSE COMMITTEE ON AGRICULTURE – DEMOCRATS

September 16, 2013

Republican Nutrition Cuts

Cutting Benefits to Millions

The Republican Nutrition Reform and Work Opportunity Act (H.R. 3102) **cuts \$40 billion** from nutrition assistance programs, **denying SNAP benefits to at least four million low-income Americans.**

Out of work adults, so-called “Able-Bodied Adults Without Dependents” or ABAWDs, with an average income of just \$2,500/year would immediately lose benefits. These include veterans, Native Americans and those living in urban, rural and suburban areas with chronically high unemployment.

Nutrition and the Farm Bill

The proposal includes the “poison pill” amendments that led to the defeat of the bipartisan farm bill in June:

- Southerland Amendment providing incentives for states to cut SNAP participation;
- Reed Amendment establishing a lifetime ban for convicted felons who have paid their debt to society; and
- Hudson Amendment instituting mandatory and costly drug testing for all participants.

There is no reason to consider this bill. The House “farm only” bill (H.R. 2642) can be conferenced with the Senate farm bill (S.954). **H.R. 3102 only further delays and potentially derails efforts to pass a new farm bill.**

A broad coalition of 532 agriculture, conservation, rural development, finance, forestry, energy and crop insurance groups have expressed their opposition to separating the nutrition programs from the farm bill. H.R. 3102 ignores their expert input and effectively ends the alliance needed to pass farm and food legislation.

Unreasonable and Irresponsible

Eliminates Benefits for Out of Work Adults in High Unemployment Areas

- Under current law, adults between the ages of 18-50, who are not disabled or caring for children, are limited to three months of SNAP out of every three years unless they are meeting a 20 hour/week work requirement or participating in a workfare or job training program. **During times of high unemployment, states can choose to request to waive this limitation.**
- Waivers are granted only at the request of the states. **States are under no requirement to apply for a waiver and may choose to opt out in the future.** Waivers have been requested by both Republican and Democratic Governors; a majority of Republican Governors have asked to waive current work requirements.
- H.R. 3102 would eliminate USDA’s ability to waive ABAWD work limits, **imposing these work requirements with no regard for real world economic conditions and immediately cutting off food assistance for those in chronically high unemployment areas.** This eliminates the safety net for those who want to work but cannot find a job.

Provides States with Financial Incentives to Cut SNAP Participation (Southerland Amendment)

- Under current law, states may require that recipients search for work, accept job offers and participate in other employment and training programs. Adults caring for young children, those unable to work due to illness or injury and veterans receiving disability compensation are exempt from these requirements.
- H.R. 3102 removes these exemptions, forcing most SNAP participants to work or participate in a work training program for at least 20 hours a week or lose benefits. **There is no support for SNAP recipients to find jobs or participate in work programs and there is no reporting requirement to hold states accountable.**
- H.R. 3102 incentivizes states to cut SNAP participation. The bill creates a slush fund for states by allowing them to pocket half of the federal savings, or money that would otherwise go to SNAP. **States could use this money for anything they want.**
- States that are currently using both public and private funding for innovative employment and training programs, which actually put people to work, would be forced to participate in the Southerland scheme or lose much-needed matching federal support. California, Illinois, New York, Pennsylvania, Texas and Washington would be hit hardest.

Makes Program Delivery More Difficult

- Welfare reforms enacted in 1996 give states an option to simplify administering social service programs. “Categorical Eligibility” permits states to harmonize the Temporary Assistance to Needy Families (TANF) block grant income guidelines with SNAP, permitting states to make TANF recipients “categorically eligible” for SNAP.
- **H.R. 3102 would make it more difficult to administer benefits** by restricting categorical eligibility to only those SNAP recipients who receive cash, not just service, from TANF or other general assistance programs.
- Because SNAP benefits are income-based – the higher the income, the lower the benefit – it is possible to be categorically eligible but receive no SNAP benefits. **Participants must still meet SNAP requirements to receive benefits.**

Practical Reforms are Possible

The Senate farm bill (S.954) makes practical and reasonable reforms to the SNAP program:

- Cuts down on trafficking;
- Prevents lottery winners from receiving food assistance;
- Prevents college students from misusing benefits;
- Improves the quality of participating retail stores; and
- Closes gap in standard utility allowance by setting LIHEAP minimum payment.



SNAP Facts: The Farm Bill and SNAP

- The House Agriculture Committee has not held a single hearing on nutrition programs during the 113th Congress. H.R. 3102 was developed during closed-door sessions among conservative Republicans.
- The Senate's farm bill contains \$4 billion in cuts to nutrition programs. Bridging the gap between \$4 billion and \$40 billion as called for by House Republicans will be next to impossible.
- The Senate has appointed farm bill conferees. The House Leadership could have appointed farm bill conferees before adjourning for the August recess after passing a farm bill without a nutrition title (H.R. 2642).
- It is simply false to suggest making further nutrition cuts will enable the House and Senate to have farm bill conference discussions when a contentious debate over nutrition spending could very well poison any goodwill needed to pass a farm bill this Congress.
- A broad coalition of 532 agriculture, conservation, rural development, finance, forestry, energy and crop insurance groups have expressed their opposition to separating the nutrition programs from the farm bill. H.R. 1302 ignores their expert input and effectively ends the alliance needed to pass farm and food legislation.

Agriculture Leaders Agree

"It's time to stop kicking the can down the road and leaving rural America and 16 million jobs hanging in uncertainty. The Senate has agreed to go to conference and appointed conferees, and whenever the House decides to do the same we can move forward and finish the Farm Bill," **Senate Agriculture Committee Chairwoman Debbie Stabenow**

"It is frustrating to our members that this broad coalition of support for passage of a complete farm bill appears to have been pushed aside in favor of interests that have no real stake in this farm bill, the economic vitality and jobs agriculture provides or the customers farmers and ranchers serve. We are quite concerned that without a workable nutrition title, it will prove to be nearly impossible to adopt a bill that can be successfully conferenced with the Senate's version, approved by both the House and Senate and signed by the President," **Bob Stallman, President, American Farm Bureau Federation**

"Separating nutrition programs from the farm bill was a mistake from the very beginning. Consideration of H.R. 3102, a politically charged bill that would hurt those in our society who most need help, unnecessarily complicates the farm bill process. In order to achieve reform and create certainty for family farmers, ranchers, fishermen and hungry Americans, the House needs to appoint its conferees to the farm bill conference committee so that a five-year, comprehensive farm bill that includes nutrition and farm programs can be enacted," **Roger Johnson, President, National Farmers Union**



SNAP Facts: SNAP and Work

**About 30 percent of SNAP households have earnings from wages, salaries, or self-employment.
About 40 percent of participants live in a household with earnings.**

Working Families

- Among SNAP households with at least one working-age, non-disabled adult, more than 80 percent work in the year prior to or the year after receiving SNAP, relying on SNAP during periods of unemployment or inadequate wages. The rates are even higher for families with children – more than 60 percent work while receiving SNAP, and almost 90 percent work in the prior or subsequent year.
- Over the last decade, the number of households that were working or had income while receiving SNAP more than tripled, from about 2 million in 2000 to about 6.4 million in 2011.
- Of SNAP recipients who are not working, the majority, 68 percent, were children, elderly, disabled, or were caring for a disabled family member in their home or for a child under 6 where another household member was working.

Economy and SNAP

- Unemployment remains at 7.3 percent nationally, with 11.3 million individuals unemployed. Among those, 4.3 million have been without a job for 6 months or longer. As of August 2013, there are still 2 million fewer jobs than when the recession began in December 2007. There are about 3 unemployed individuals for every new job.
- While mid-wage occupations constituted 60 percent of recession losses, they account for only 22 percent of recovery growth. By contrast, low-wage occupations represented 21 percent of recession job losses, but have made up 58 percent of recovery growth.
- Unemployment among college graduates is 3.5 percent, but remains at 11.3 percent for those with less than a high school diploma.

Current SNAP Work Requirements

- Childless unemployed adults can only receive SNAP for 3 months out of every 3 years unless they are working 20 hours per week or more. Governors can currently waive the limit in areas with high unemployment.
- SNAP participants must register for work, accept any job offer and participate in workfare or training programs if it is offered to them. States may also compel work registrants to participate in job training. Individuals who fail to participate automatically lose their SNAP benefits.



SNAP Facts: SNAP Recipients

The average SNAP benefit is less than \$1.40 per person per meal

Who Gets SNAP?

- SNAP benefits are targeted at those who are truly needy:
 - Nationally, 83 percent of SNAP households have gross income at or below 100 percent of the poverty line. *\$19,530 for family of three in 2013, \$11,000 for a person living alone.*
 - Nearly all other recipients have incomes between 100 and 130 percent of the poverty level.
- Two of every five SNAP households have incomes below half of the poverty line. *About \$9,545 for a family of three.*
- More than 91 percent of SNAP benefits go to households with incomes below the poverty line.
- About 55 percent of all SNAP recipients are children or elderly. 47 percent are less than 18 years old, and 8 percent are elderly (age 60 or older).
- Census data indicate that approximately 900,000 veterans receive SNAP assistance each month.
- The state of the economy has a direct effect on the numbers of families who qualify for SNAP benefits. As employment levels fall and incomes decline during recessions, the number of eligible people increases.
- Some workers' wages are so low that even full-time, year-round work is inadequate to keep their family out of poverty. The share of workers with below-poverty wages was 28 percent in 2011.
- About 40 percent of all wage earners receive hourly pay that would be too low on a full-time, year-round basis to keep a family of four above 125 percent of the poverty line, which is close to the 130 percent SNAP eligibility level.



SNAP Facts: Children, Seniors, Homeless, Veterans, Native Americans

Nationally, 76 percent of SNAP households include a child, elderly person, or disabled person. These households receive 83 percent of all SNAP benefits.

Children

- As of 2011, 45.1 percent of SNAP recipients were children under the age of 18. More than 20 million children were relying on SNAP benefits for some or all of their nutrition needs. SNAP kept about 2.1 million children out of poverty and lifted 1.5 million children out of deep poverty, more than any other benefit program.
- 47.1 percent of SNAP households include children, and these households receive 69.2 percent of all SNAP benefits.
- Poor children are more likely to get SNAP benefits than any other group – more than 92 percent of eligible children received benefits in 2010, compared to 76 percent of non-elderly adults and only 35 percent of elderly adults. According to USDA's most recent estimates 1.4 million eligible children are still missing out on benefits.
- More than one in five children in the United States were living in poverty in 2011 and more than one in five children were living in families that have difficulty affording adequate food ("food insecure"). In 2012, 20 percent of households with children were food insecure, compared to 11.9 percent of households with no children.
- Food insecure children are more likely to struggle to thrive academically and physically. They may have trouble focusing in school, are 1.4 times as likely to repeat a grade, more likely to get sick and are 30 percent more likely to have a history of hospitalization. Studies have shown that inadequate nutrition, even mildly below target nutritional goals, stunts growth and development.

Seniors

- 16.5 percent of SNAP households include seniors; these households receive 8.5 percent of all SNAP benefits. SNAP households with seniors receive an average per person benefit of only \$114 per month, or \$1.27 per person per meal.
- A Feeding America report found that seniors often rely on food banks – more than half of seniors accessing food pantries have used a pantry every month for at least a year.
- Among Feeding America food bank client households with seniors, 29.6 percent reported choosing between paying for food and paying for medical care. Additionally, 34.9 percent reported choosing between food and utilities, and 26 percent reported choosing between food and gas for a car.

Homeless

- SNAP program data show that the average SNAP recipient's income is just 22 percent of the poverty line, about \$2,500 a year for a single individual. Most people at such a low income level are either homeless or teetering on homelessness.
- For most of these individuals, SNAP is the only state or federal safety net assistance available to them. On average, they would receive about \$160 a month in SNAP benefits in fiscal year 2014.

Veterans

- According to Census data, at least 1.5 million American households with a resident veteran receive food stamps. Feed Our Vets, a nonprofit group that establishes food pantries for veterans, estimates that nearly 3 million veterans and their families don't get enough to eat each month.
- During the recession, SNAP purchases at military commissaries nearly tripled. In 2011, \$88 million worth of SNAP benefits were used at commissaries nationwide, up from \$31 million in 2008.

Native Americans

- About 24 percent of American Indian households received SNAP in 2010, compared to about 13 percent of all U.S. households. In 2011, while about 0.8 percent of Americans identified their ethnicity as Native American alone, about 3.6 percent of SNAP recipients identified their ethnicity as Native American.
- The poverty rate for Native Americans nationally was 27 percent in 2007-2011, close to double that of the overall poverty rate. In 9 states with large Native American populations, the poverty rate exceeded 30 percent. In 2008, close to 1 in 4 Native Americans were food insecure, compared to about 1 in 7 Americans overall.
- Because many tribal areas suffer very high rates of unemployment even in good economic times, states have used waiver authority to waive the time limit for many reservations with persistently high unemployment rates. Several states continue to seek waivers to allow individuals living on reservations, who cannot find work because of a lack of jobs, to afford a nutritious diet. Today, virtually every state that can waive the time limit in tribal areas does.



SNAP Facts: SNAP and The Economy

As the number of unemployed people increased by 94 percent from 2007 to 2011, SNAP responded with a 70 percent increase in participation over the same period.

- National unemployment reached 9.3 percent in 2008 and 14.9 percent of Americans were living in poverty. According to the U.S. Department of Agriculture, Economic Research Service, more individuals who were eligible for SNAP participated in the program.
- SNAP enrollment growth slowed in 2012, however, as the economy began to recover. The Congressional Budget Office (CBO) predicts that SNAP spending will fall to 1995 levels as a share of gross domestic product (GDP) by 2019.
- The Congressional Budget Office projects SNAP to begin declining in 2015, with both unemployment and SNAP participation returning to near pre-recession levels by 2022.
- Using the Supplemental Poverty Measure, which counts SNAP as income, the Center on Budget and Policy Priorities (CBPP), found that SNAP kept about 4.7 million people out of poverty in 2011, including about 2.1 million children.
- Moody's Analytics estimates that in a weak economy, every \$1 increase in SNAP benefits generates about \$1.70 in economic activity. CBO rated an increase in SNAP benefits as one of the two most cost-effective methods for boosting growth and jobs when the economy is weak.

November 2013 SNAP Cuts

- The 2009 Recovery Act's temporary boost to SNAP benefits is scheduled to end on November 1. This will result in a benefit reduction for every household receiving SNAP assistance, including a benefit cut of \$25 to \$30 a month, or \$300 to \$600 annually, for all families of three.



SNAP Facts: Waste, Fraud and Abuse

SNAP has one of the most rigorous payment-error measurement systems of any public benefit program and one of the best records of accuracy in providing benefits only to eligible households of any government program.

- The SNAP overpayment rate, the percentage of benefits either issued to ineligible households or overpaid to eligible households, was 2.77 percent in 2012. This includes overpayments due to errors *and* due to fraud.
 - By contrast, the rate of error and fraud in the federal income tax system is about 15 percent. This represents a \$450 billion loss to the federal government in one year (2006 data).
- SNAP achieved its lowest error rates on record in fiscal year 2011, even as caseloads were rising and administrative resources were strained.
- According to the most recent USDA report from, only 1.3 percent of total SNAP benefits are trafficked, or sold by participants for cash or items that cannot be purchased with SNAP benefits.
 - Rates of trafficking have declined over time from nearly four percent of total SNAP benefits in the 1990s.
- Almost 95 percent of federal spending on SNAP goes toward providing benefits to eligible households to purchase food.
 - Most of the remaining five percent goes toward administrative costs, including reviews to determine that applicants are eligible, monitoring of retailers that accept SNAP, and anti-fraud activities.
- The House Agriculture Committee's farm bill and the Senate-passed farm bill contain common sense reforms that would prevent lottery winners from receiving SNAP, tighten up on college students abusing the system, prevent states from leverage utility deductions for those without utility expenses and make sound new investments in anti-fraud strategies.