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**Introduction.** Good morning. My name is Matthew Sharp. I work for California Food Policy Advocates, in the Los Angeles Office. CFPA is a statewide nonprofit organization whose mission is to increase low-income Californians' access to nutritious, affordable food. Since the 1990s, I have worked with CFPA to increase the use of federal nutrition programs, particularly food stamps given its tremendous potential, by pursuing state and federal legislation, as well as local policy changes. I've also coordinated food stamps advocacy and outreach with a dozen Los Angeles-area community partners to increase awareness and ease accessibility to these valuable nutrition benefits. This winter we are focused on blunting the impact of the severe state budget crisis on low-income Californians and on ensuring Congress invests new resources for Child Nutrition and WIC Reauthorization.

This morning I will share with you the progress we've made in California to strengthen food stamps policy and accessibility. I will identify the key data points indicating that more changes are needed to expand participation further and I will provide a few recommendations for action.

**Background.** Food stamps and the child nutrition programs have offered a nutrition safety net for millions of needy families and children since the day they started. The nation's deep recession makes these programs more important than ever. With childhood food insecurity and obesity escalating at rates that reflect steeply increased unemployment and poverty, the healthy meals and snacks that the programs provide, the measurable gain in students' academic performance,

and the savings that strapped families can realize with five less breakfasts and lunches to supply each school week are among the many extremely valuable benefits that the child nutrition programs can deliver.

The Food Stamp Program, the nation's most important anti-hunger program, helps very-low-income Americans to afford a nutritionally adequate diet. Unlike most means-tested benefit programs, which are restricted to particular categories of low-income individuals, the Food Stamp Program is broadly available to almost all households with very low incomes, making it an important resource for families with limited income. More than 75 percent of all food stamp participants are in families with children; nearly one-third of participants are elderly people or people with disabilities. The federal government pays the full cost of food stamp benefits and splits the cost of administering the program with the states, which operate the program. Food stamp eligibility rules and benefit levels are, for the most part, uniform across the nation, but states have flexibility in the procedures and requirements that low-income families face for application and ongoing receipt of benefits, as long as states meet certain federal service-delivery standards.

Food stamp households receive their benefits on electronic benefit transfer (EBT) cards, which can be used only to purchase food. The average household received about \$133 a month (or \$4 a day) for each household member in the second half of fiscal year 2009. The food stamp benefit formula targets benefits according to need. Very-poor households receive more food stamps than households closer to the poverty line since they need more help affording an adequate diet. In fiscal year 2008, ninety-five percent of food stamp benefits went to households with income below the federal poverty level, and more than half went to households with income below *half* of the federal poverty level.

The share of households that receive food stamps and have *no* other income is on the rise, from about 8 percent in 2000 to almost 16 percent in 2008, and likely a higher level currently because of the economic downturn.<sup>1</sup> This trend is the result of two factors: first, many low-wage unemployed workers cannot qualify for Unemployment Insurance, and second, the cash assistance available to unemployed workers through TANF and state general assistance programs has eroded over time. As a result, food stamps may be the only federally-funded safety net program available to many families who have lost jobs during this recession.

**Current Data.** Unfortunately, despite increased enrollment in recent years, the Food Stamp Program misses an unsettling number of eligible, needy Californians. This underutilization is neither acceptable nor necessary. The numbers are sobering. 3 million Californians received food stamp benefits worth \$5.4 billion during 2009. While this reflects an increase of 35% more persons receiving benefits since 2007, the increase in need has been far greater.

- Unemployment in California has increased by 140% since 2007, reaching nearly 13% statewide.
- Demand at food banks and emergency shelters has increased X%
- According to UCLA's Center for Health Policy Research, among the 3.1 m adults struggling with food insecurity, 77% do **not** receive food stamps.
- According to USDA's Program Access Index, only 46% of eligible Californians participated in 2007.

Low participation means lost dollars for all. Because each dollar of food stamp benefits generate \$1.84 in economic activity, low participation adversely impacts not only hungry families but a variety of sectors of the California business

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<sup>1</sup> Based on CBPP analysis of food stamp quality control administrative data, available at: <http://www.fns.usda.gov/ora/menu/Published/SNAP/SNAPPartHH.htm>.

community. According to USDA, if all eligible Californians participated, California would receive \$3.7 billion in additional nutrition benefits, generating \$6.9 billion in statewide economic activity and \$153 million in state and local sales tax revenue. Increasing food stamps participation will help California rebound from the recession.

**Improvements.** A few recent changes represent significant progress since the 2008 Farm Bill reauthorized (and re-named) the Food Stamp Program.

- **More money.** As part of the American Recovery and Reinvestment Act, Congress provided a 13.6 percent temporary boost in the maximum food stamp benefit in federal fiscal year 2009. This provision was included as a fast and effective economic stimulus measure that could help to push against the tide of economic hardship that low-income individuals are facing. Additionally, ARRA provided \$300 million in additional administrative funds to states to handle larger caseloads. The 2010 appropriations bill provided an additional \$400 million for food stamps administration.
- **More application options.** Through local partnerships with community organizations, health clinics and WIC centers, as well as recent state policy changes to eliminate in-person interview requirements (and, hopefully, office visits), Californians will have more convenient opportunities to apply for food stamps closer to their home or workplace or to manage their benefits by phone – and maybe even someday, online.
- **More flexible rules.** State legislation eliminated the asset test. When fully implemented in 2010, this will allow families to seek nutrition help before spending down their entire savings.
- **Rebranding.** State legislation triggered a market research project to gather information from non-participants about potential names and logos that

might re-position food stamps as an attractive program. Terms like “fresh” and “modern” will be considered as the state selects a new name this winter.

**Action Steps.** While numerous changes are needed at a federal, state, county and community level to respond to the myriad reasons why hungry families do not receive food stamp benefits, I wanted to draw your attention to the top policy changes that may make the most difference to non-participants. You will hear today about technological innovations, outreach initiatives and important connections between food stamps and healthier eating. We support all those endeavors. Here are our recommended priorities:

Ensure adequate funding for nutrition benefits and administration.

- *Congress should ensure sufficient funding for food stamps by preserving the 13.6% increase in benefits enacted in the American Recovery and Reinvestment Act of 2009 and establish a mechanism to increase administrative funding more nimbly to respond to the state and local budget cuts and hiring freezes.*

Modernize the program by moving to simplified (six-month) reporting. USDA denied California’s request to continue quarterly reporting for four more years, but the state and counties have not yet implemented this important change.

- *California should quickly transition to simplified reporting.*

Provide benefits to ineligible, needy Californians. Many legal immigrants do not receive federal food stamp benefits, many unemployed adults without children are subject to outdated work requirements and SSI recipients are not eligible to participate in California. Federal legislative changes are needed to provide benefits to each of these populations (USDA and Department of Homeland

Security changes are needed to enroll immigrants), with state changes needed to carve out SSI recipients that would benefit from food stamps. In order to close the state's budget deficit for 2010-2011, the Governor proposes to eliminate the California Food Assistance Program, which provides food stamp benefits to legal immigrants with state funds – a good example of where federal fiscal relief is needed, since these are immigrants who were once eligible for federal food stamps.

- *Congress and USDA should pursue legislative changes to ensure all needy populations are eligible for valuable food stamp benefits. Congress should expand the pool of legal permanent residents eligible for food stamp benefits.*

Connect food stamps and health insurance. Approximately 1 million MediCAL recipients – already means-tested and certified eligible for federal health benefits – do not participate in food stamps.

- *California should implement policy and technological changes to ensure that low-income households receive nutrition insurance alongside health insurance.*

Eliminate fingerprinting. Nine years since California implemented its biometric system to detect multiple-aid fraud, two state audits and the fraud detection systems of 46 other states have demonstrated that the system is not cost-effective for the state and counties – and that it is ineffective at detecting multiple benefits, the system's supposed purpose. Fingerprinting also discourages applicants by adding stigma and an obligatory trip to the welfare office – undermining out-of-the-office enrollment efforts.

- *USDA should prevent states from using fingerprinting systems as a condition of eligibility or issuance of benefits. USDA should cease co-funding California's fingerprint imaging system.*

Strengthen local operations. With 58 counties administering food stamps across California, applicants in some counties benefit from the availability of office visit waivers, speedy processing of benefits and limited paperwork requirements. However, other applicants in other counties are not as fortunate, as demonstrated by several pending lawsuits regarding failure to provide timely benefits and excessive requests for verification of application documents, as well as wide variations in enrollment rates.

- *USDA and California should improve monitoring of local customer service practices to ensure best practices become the norm.*

Significantly more resources are available at [www.cfpa.net](http://www.cfpa.net)

I am happy to answer any questions you might have.