Past, Present, & Future of SNAP

Hearing Series Findings: 114th Congress

Chairman K. Michael Conaway

HOUSE COMMITTEE ON AGRICULTURE
ESTABLISHED 1820

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We can all agree that no one ought to go hungry in America, and SNAP is essential in protecting the most vulnerable citizens during tough times. For many it is a vital lifeline to keeping food on the table.

"

-Chairman K. Michael Conaway[1]

[1] K. Michael Conaway, Chairman of the House Committee on Agriculture. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP*. February 25, 2015. Washington, D.C.

Executive Summary

The House Committee on Agriculture completed a comprehensive review of the Supplemental Nutrition Assistance Program (SNAP) during the 114th Congress. Known as the *Past, Present, and Future of SNAP*, the purpose of the review was to provide a better understanding of SNAP and the population it serves, to review how SNAP utilizes cash and noncash benefits to serve that population, and to examine ways the program can be improved. While the series highlighted specific ways that vulnerable populations are well-served, it also demonstrated several areas for improvement. The series also highlighted that there is sincere interest on both sides of the aisle in ensuring that SNAP is meeting the needs of those it is intended to serve. Several key findings emerged from the testimony of 60 witnesses across 16 hearings:

Findings Theme 1: Serving SNAP Recipients through Innovation and Flexibility in Program Delivery

1a. SNAP serves a wide-ranging demographic, and the program must adapt to meet the needs of each recipient.

1b. States can take advantage of available state options and waivers, as well as new and developing technologies.

1c. Broad-Based Categorical Eligibility (BBCE) is the most significant state option in SNAP recipient eligibility determinations.

1d. The need for nutrition assistance cannot be addressed by just one program or just one group—it requires more collaboration between governments, charities, businesses, health systems, communities, individuals, and many others.

1e. The diversity of programs serving low-income households has simultaneously generated overlaps and gaps in recipient services.

Findings Theme 2: Climbing the Economic Ladder through Work

2a. Unemployment and underemployment are leading causes of poverty, and promoting pathways to employment is the best way to help individuals climb the economic ladder out of poverty and into self-sufficiency.

2b. Combined with other welfare programs, SNAP recipients may face a "welfare cliff" when they are just above the income eligibility level, which can create disincentives to finding work or increasing earnings.

2c. Better enforcement of work requirements is needed in some states, and enforcement needs to be coupled with more effective SNAP employment and training (E&T) programs.

Findings Theme 3: Maintaining Program Integrity

3a. SNAP needs clear program goals and must be evaluated according to metrics aligned with those goals to generate program improvement.

3b. SNAP fraud rates can be improved through innovative state and federal strategies and technologies.

3c. SNAP error rates are only as good as the program parameters on which they are based.

3d. State flexibility in administering SNAP should not jeopardize program integrity.

3e. Data availability—with robust privacy protections—is a key concern in ensuring SNAP is functioning as intended.

Findings Theme 4: Improving Food Access and Promoting Healthy Food

4a. Americans in both urban and rural communities cannot improve their diets without adequate access to healthy food.

4a. Nutrition education—working in tandem with targeted incentives—can help SNAP recipients develop healthy lifestyles and healthy eating habits.

From the Chair

December 7, 2016

Through our *Past, Present, and Future of SNAP* hearing series, the House Committee on Agriculture heard from 60 witnesses in 16 hearings over the course of the past two years on the Supplemental Nutrition Assistance Program (SNAP), the most important nutrition assistance program in the United States. With around $70 billion in benefits going to more than 43 million SNAP recipients each year, even small program improvements can result in better nutrition for hungry families and in taxpayer resources being used more effectively. This report documents the findings of the hearing series, which reviewed characteristics of SNAP recipients, the functioning of the program, and innovations in serving those in need of nutrition assistance.

While it may have generated “hearing fatigue,” the review of SNAP was an essential part of our work as we prepare to reauthorize SNAP in the 115th Congress. SNAP is a complex program implemented uniquely by each state. It serves diverse populations with a wide range of needs, many of which are not visible without taking a deeper dive into the program to see how it works.

We know that we live in a country with the safest, most affordable, and most abundant food supply in the world. While Americans on average spend less of their disposable income on food than any other country in the world, those on the lower end of the income ladder in the United States spend more than 34 percent of their disposable income on food—if they have any disposable income at all. It is our responsibility to help our most vulnerable citizens, whether they are children, the elderly, the disabled, veterans, or those who are down on their luck due to no fault of their own. SNAP serves that purpose, partnering with many other organizations to put food on the plates of those who would otherwise be hungry. It is the Committee’s role to ensure we are successful in accomplishing that purpose.

You will find nothing in this report that suggests gutting SNAP or getting rid of a program that does so much to serve so many. What you will find are a number of ways the program is working successfully and a number of areas in need of improvement. You will find areas for innovation, for adjustment, for education and training, and for rethinking the best ways to serve those in need.

There is common ground to be found on SNAP, both in understanding the needs of the population SNAP serves, and in working collaboratively to improve SNAP. That common ground must be found not only within Congress, but across government agencies, non-profits, the private sector, universities, communities, recipients, and a host of other partners involved in meeting the needs of our nation’s most vulnerable citizens.

SNAP serves a critical mission: to feed those who need it and to empower those who are able to move from SNAP to self-reliance. This report focuses on how SNAP currently achieves this mission, and highlights the suggestions of our many witnesses on how SNAP can more effectively fulfill its mission.

Rep. K. Michael Conaway,
Chairman,
House Committee on Agriculture

Rep. Jackie Walorski,
Chairwoman, Subcommittee on Nutrition,
House Committee on Agriculture

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Overview of Hearing Series

Over the course of the 114th Congress, the House Committee on Agriculture undertook a top-to-bottom review of SNAP. The Committee conducted 16 educational hearings from February 2015 to November 2016 during its hearing series entitled the *Past, Present, and Future of SNAP.* These hearings took a closer look at how SNAP works and examined the challenges faced by recipients. A wide array of witnesses, including hunger advocates, researchers, USDA officials, and SNAP recipients testified before the Committee. See *Appendix A* for a complete listing of hearings and witnesses.

SNAP is the largest program under the jurisdiction of the Committee, accounting for 79 percent of total farm bill spending.[2] CBO currently projects that SNAP will cost an average of $69.75 billion per year over the next 10 years, making it the largest Federal food program serving low-income families in the United States.[3]

Program participation nearly doubled (up 81 percent from FY 2007 to FY 2013) as a result of the recent recession. In an average month in FY 2007, 26.3 million people (or about 9 percent of the U.S. population) were enrolled in SNAP. That increased to 47.6 million people (or about 15 percent of the U.S. population) in FY 2013, owing to the fact that the economy was slow to recover and many families remained reliant on SNAP. Even now, with a 4.6 percent unemployment rate (compared to a 9.6 percent unemployment rate for 2010), there were still 43.4 million SNAP participants as of July 2016.[4,5] Because of the magnitude of the program, the House Committee on Agriculture devoted significant time and effort to educating Members on how SNAP works, who it serves, and what can be done to make it more effective.

Several critical themes emerged as witnesses presented their testimony based on research, work in the community, or personal experience with SNAP. This report summarizes the key findings from the hearing series. The report also presents additional background information as needed to facilitate an understanding of the issues that were discussed in the hearings.

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[2] Congressional Budget Office. *Estimated Budgetary Effects of H.R. 2642, the Agricultural Act of 2014*. https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/costestimate/hr2642lucasltr00.pdf.

[3] Congressional Budget Office. *Baseline Projections for Selected Programs*. August 2016. https://www.cbo.gov/about/products/baseline-projections-selected-programs.

[4] U.S. Department of Labor, Bureau of Labor Statistics. November 2016. http://data.bls.gov/timeseries/LNS14000000.

[5] USDA Food and Nutrition Service (FNS). Supplemental Nutrition Assistance Program (SNAP) Summary - Latest Available Month: July 2016. http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap.

History of SNAP

While the United States has a long history of providing nutrition assistance to its citizens, the Supplemental Nutrition Assistance Program (SNAP), as we know it, traces its roots to the 1960s. In 1963, President Kennedy proposed permanently authorizing a small pilot project—which had been introduced in 1961—called the Food Stamp Program (FSP). The authorizing legislation, the Food Stamp Act of 1964, began with a lofty goal of utilizing "the Nation's abundance of food … to safeguard the health and well-being of the Nation's population and raise levels of nutrition among low-income households."[6]

In response to growing hunger across the United States, Congress amended the Food Stamp Act in 1971 to establish national-level eligibility and benefit standards. The program also included a purchase requirement for food stamps. That is, recipients paid for the stamps (limited to no more than 30 percent of their income with the 1971 amendments), and then received a "bonus" payment to cover the difference between the amount paid and the amount needed to attain a low-cost, nutritionally adequate diet.[7]

The Food Stamp Act of 1977 eliminated the purchase requirement and replaced it with the "net income rule" whereby recipients were expected to spend 30 percent of their net income on food and use the stamps as a supplement. The Act also established statutory income eligibility based on the Federal poverty level, established 10 categories of excluded income, and established the principle that stores must sell a substantial amount of staple foods to be authorized to accept food stamps.

Electronic Benefit Transfer (EBT) technology was established as an issuance alternative to the paper stamps in the 1990 Mickey Leland Memorial Domestic Hunger Relief Act. EBT cards allow a recipient to authorize the transfer of their government benefits from a Federal account to a retailer account to pay for products received. Demonstration projects were conducted by state implementation agencies until the welfare reforms of 1996—officially known as the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)—mandated states implement EBT systems as the source of benefit issuance by October 2002.[8] The EBT card works in the same way as a debit card, with recipients using a PIN number at the point of sale. Some states use the EBT card for multiple Federal welfare programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Temporary Assistance for Needy Families (TANF) program. See *Appendix B* and *Appendix C* for a description of Federal welfare and nutrition programs, including both WIC and TANF.

[6] P.L. 88-525.
[7] USDA FNS. *From Food Stamps to the Supplemental Nutrition Assistance Program: Legislative Timeline*. http://www.fns.usda.gov/sites/default/files/timeline.pdf.
[8] USDA FNS. *A Short History of SNAP.* http://www.fns.usda.gov/snap/short-history-snap.

1996 Welfare Reform[9]

The Personal Responsibility and Work Opportunity Reconciliation Act was signed into law on August 22, 1996. The changes in this Act reshaped cash and food welfare programs and helped reduce Federal welfare spending. The biggest reform from 1996 was replacing the Aid to Families with Dependent Children (AFDC) with fixed annual grants to states for TANF. The impact of welfare reform on each state General Assistance (GA) program differed based on a number of factors, including whether populations that were no longer eligible for Federal assistance as a result of the Act would have become eligible for a state GA program and whether a state chose to provide benefits to those groups no longer eligible for Federal assistance. The 1996 Welfare Reform also impacted food stamps by:

- Giving states more control over food stamp operations and coordination with family cash aid;
- Adding work rules and time limits for adults without dependents and expanding existing work requirements;
- Cutting future benefits; and
- Placing greater limits on eligibility and expanding penalties for violating rules.

The Food Security and Rural Investment Act of 2002 (2002 Farm Bill) also made significant changes to SNAP. The Quality Control system was reformed, improving payment accuracy by 34 percent between FY 2000 and FY 2004. Optional policy changes for states were also included, such as aligning the definition of income and/or resources to that used in TANF or Medicaid, adopting a simplified reporting system, and providing transitional benefits for recipients leaving TANF.[10]

The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) formally changed the name of FSP to SNAP. It made substantive spending and programmatic changes, authorizing an increase of more than $10 billion in spending on federal nutrition programs over the following 10 years. Household benefits were increased and eligibility was expanded via adjustments to asset tests.

SNAP is now a catchall for individuals and families who receive no or lower benefits from other welfare programs, largely because the eligibility criteria in SNAP are relatively more relaxed. As a result, the net effect has been to increase SNAP enrollment. For example, in the welfare reforms of 1996, the cash welfare program Aid to Families with Dependent Children (AFDC) was converted into a block grant known as TANF, which has rather rigorous work and activity requirements and includes a time limit. Another program available to those who are laid off from work is Unemployment Insurance (UI). These benefits require individuals to have a work history and to be fired through no fault of their own to be eligible for assistance. UI benefits are also time-limited, typically lasting six months. A third program, Federal disability benefits, requires individuals to prove they are unable to work. For many families who have not collected SNAP in the past, SNAP is now a default option for filling in the gaps.

SNAP grew considerably in response to the Great Recession, touched off by the financial crisis from 2007 to 2009. As the U.S. economy suffered and unemployment rose to nearly 10 percent, enrollment in the program increased from 28.2 million participants in FY 2008 to 47.6 million in FY 2013, as shown in the following chart.[11] Enrollment in SNAP often lags the economy, as it takes time for changes to work through from businesses to individuals, ultimately resulting in the need for food assistance.

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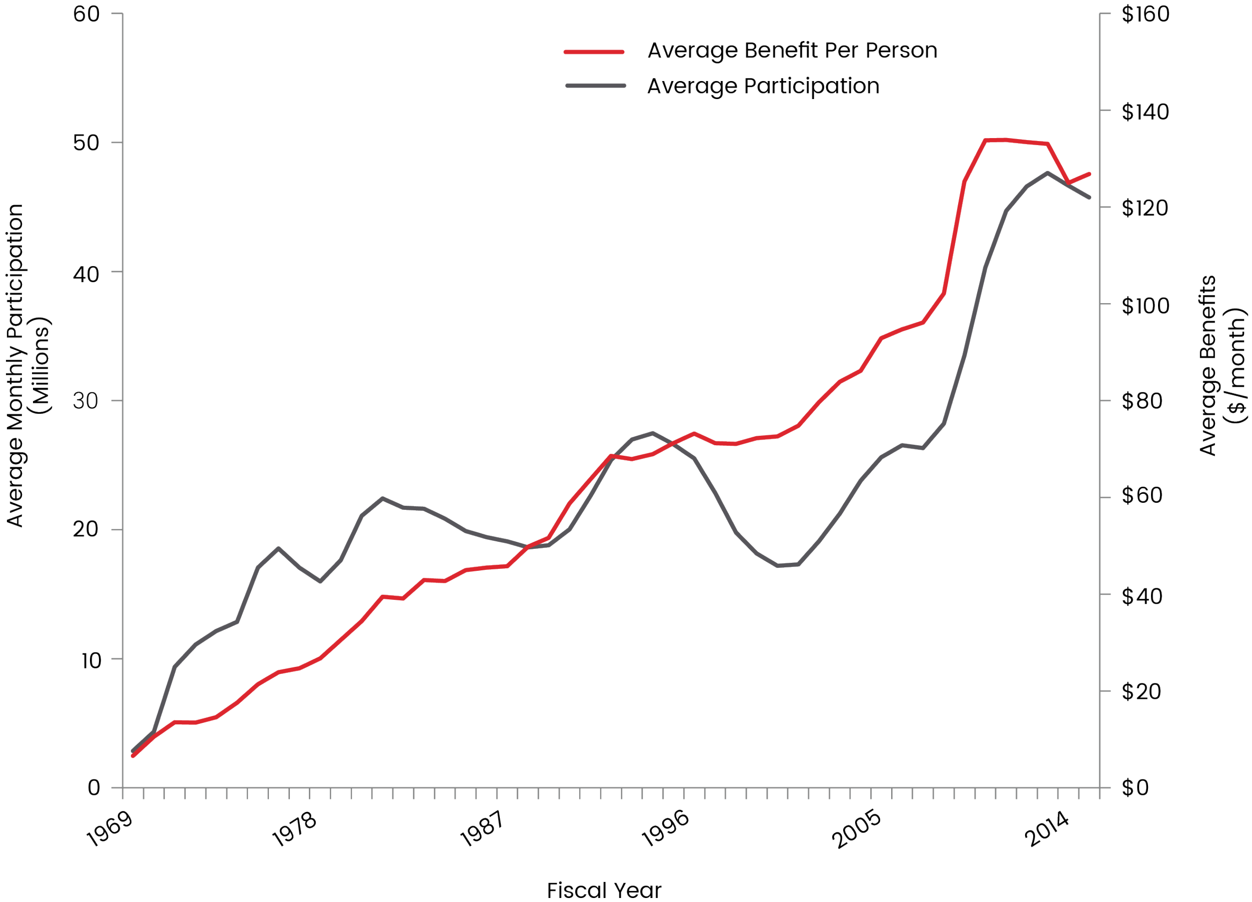
[9] Vee Burke, Congressional Research Service. *The 1996 Welfare Reform Law*. July 1, 2003. http://royce.house.gov/uploadedfiles/the%201996%20welfare%20reform%20law.pdf.

[10] USDA FNS. *A Short History of SNAP*. http://www.fns.usda.gov/snap/short-history-snap.

[11] U.S. Department of Labor, Bureau of Labor Statistics. *Labor Force Statistics from the Current Population Survey.* Series ID LNU04000000. http://data.bls.gov/timeseries/LNU04000000?years_option=all_years&periods_option=specific_periods&periods=Annual+Data.

SNAP Program Participation and Average Benefits

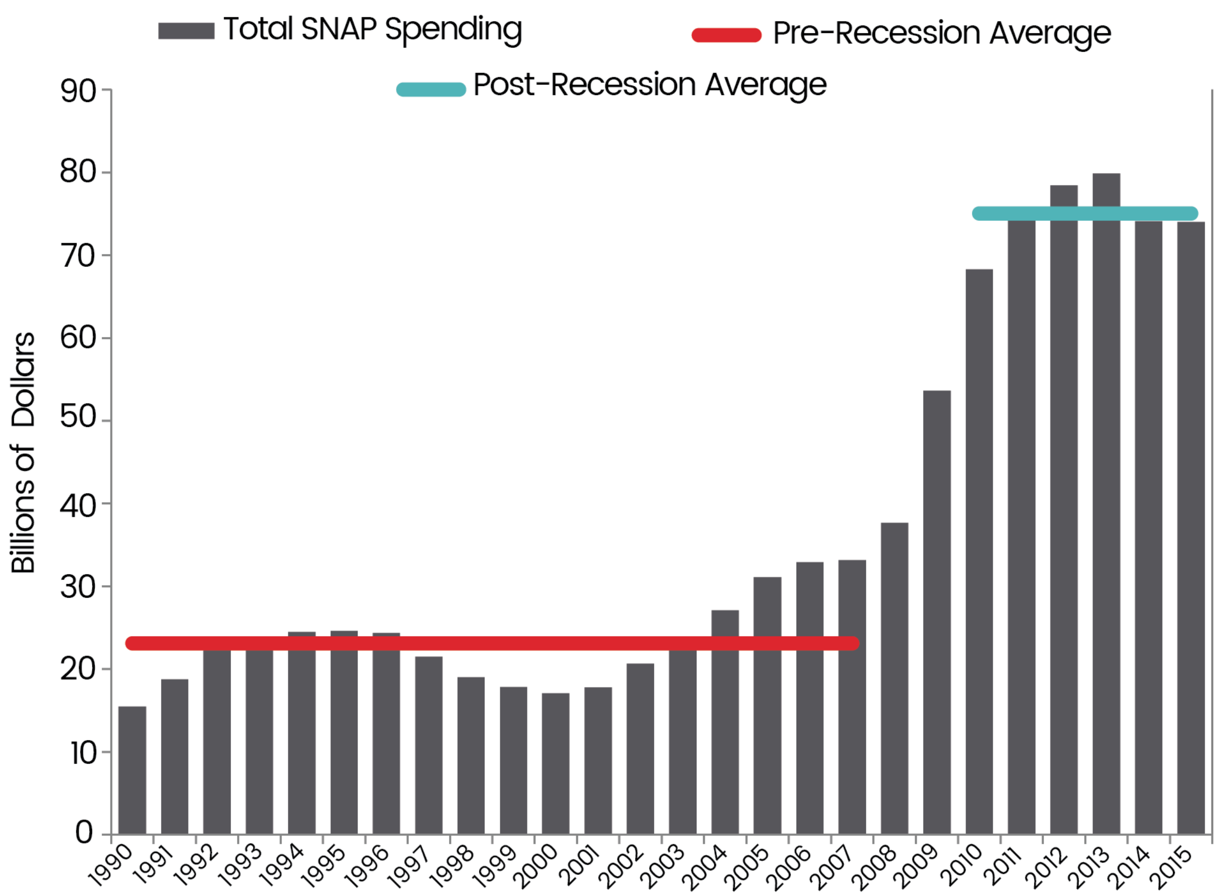


Source: USDA FNS. *SNAP Program Participation and Costs*. Data as of October 7, 2016.

Accordingly, the cost of the program more than doubled from $37.6 billion in FY 2008 to nearly $80 billion at its peak in FY 2013. Although the latest unemployment estimates have largely returned to pre-recession levels, SNAP participation levels have been slow to respond. CBO estimates that SNAP participation will remain above 33 million people (and well above pre-recession levels) through FY 2026, assuming a continued unemployment rate of 5.0 percent.[12] USDA data shows that spending on SNAP remains three times what it was prior to the recession ($23.09 billion pre-recession average compared to $73.99 billion post-recession in FY 2015). However, SNAP spending is now projected to be significantly lower than it was estimated at passage of the 2014 Farm Bill.

[12] Congressional Budget Office. *Baseline Projections for Selected Programs*. March 2016. https://www.cbo.gov/about/products/baseline-projections-selected-programs#20.

SNAP Spending Pre- and Post-Recession



Source: USDA FNS. *SNAP Program Participation and Costs*. Data as of October 7, 2016.

Program Structure

Similar to many of the other means-tested benefit programs, there is a detailed framework of Federal law and regulation governing SNAP. However, the program is ultimately administered by states that have a number of options—for example, asset testing and transitional benefits—for implementing certain policies as well as access to waivers of Federal law and regulations in specific cases.[13]

SNAP benefits are fully funded by the Federal Government, although state policy options may play a role in increasing or decreasing the size of the caseload. Administrative expenses, such as those used for determining initial and ongoing eligibility, are divided equally between the Federal and state governments.

While SNAP is an entitlement program—meaning that those who qualify for assistance are entitled to the assistance—it is unique in that it is funded through the annual appropriations process. In order to prevent the program from running out of

[13] FNS allows states to submit waivers that may be approved under certain criteria. These waivers all relate to regulations FNS requires of states. http://www.fns.usda.gov/snap/waivers-rules.

funds for benefits, there is also a $3 billion contingency fund that is also appropriated annually, with two years of availability. This means that in any year, there are up to $6 billion in contingency funds available. Congress would need to appropriate additional funds if both the currently appropriated funds and contingency funds were exhausted.

SNAP Eligibility

SNAP eligibility is tied to the Federal poverty level, a measure of income issued by the Department of Health and Human Services to determine eligibility for a number of welfare benefits. To qualify for SNAP, applicants must meet the eligibility and income requirements mandated by Congress, both of which are discussed at length in this report. While eligibility requirements are nuanced and vary widely based on state options, SNAP recipients are generally subjected to income requirements mandated by Congress.

The basic SNAP beneficiary unit is the household. A household can be either a person living alone or a group of individuals living together. Most households must meet both the gross and net monthly income tests provided in the following table to receive SNAP benefits, but households with an elderly person or an individual who is receiving certain disability benefits only have to meet the net income test. If eligible for SNAP, an applicant household also undergoes a calculation of its monthly benefit amount (or allotment). This calculation utilizes the household's net income as well as the maximum allotment, a figure that equals the current value of the "Thrifty Food Plan" (TFP).[14] Developed in the 1930s and now updated monthly, the TFP is USDA's national standard estimate of the minimum cost of eating at home and is broken out by gender and age.

Households that have income over the amounts listed in the following table cannot receive benefits. For example, a household of four would be ineligible for SNAP if their gross monthly income exceeds $2,633 (or if their net monthly income exceeds $2,025). These thresholds are critical because they determine program eligibility for many Americans.

[14] Randy Aussenberg, Congressional Research Service. *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*. February 2, 2016. http://www.nationalaglawcenter.org/wp-content/uploads/assets/crs/R42505.pdf.

Maximum Income by Household Size for SNAP Eligibility

	Gross Monthly Income (130 percent of the Federal poverty level)	Net Monthly Income (100 percent of the Federal poverty level)
1	$1,287	$990
2	$1,736	$1,335
3	$2,184	$1,680
4	$2,633	$2,025
5	$3,081	$2,370
6	$3,530	$2,715
7	$3,980	$3,061
8	$4,430	$3,408
Each additional member	+$451	+$347

Note: Gross income is a household's total, non-excluded income before any deductions have been made. Net income is gross income less allowable deductions.

Source: USDA FNS. *SNAP Eligibility*. http://www.fns.usda.gov/snap/eligibility.

To put these thresholds in context, in FY 2015, approximately 82 percent of SNAP households lived below the Federal poverty level. Forty-two percent of SNAP households had incomes less than or equal to half of the Federal poverty level, and they accounted for 57 percent of all benefits.[15] Regardless of income, all eligible one- and two-person households are guaranteed a minimum benefit equal to 8 percent of the maximum benefit for a one-person household. For FY 2017, the minimum benefit for one- and two-person households in the contiguous U.S. is $16.[16]

For FY 2017, the maximum monthly benefit in the 48 contiguous states and DC is $194 for a one-person household, $357 for a two-person household, and $649 for a four-person household.[17] In determining a household's benefit, the net monthly income of the household is multiplied by 30 percent (because SNAP households are expected to spend 30 percent of their income on food), and the result is subtracted from the maximum benefit to determine the household's benefit.

[15] USDA FNS. *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2015*. Report No. SNAP-16-CHAR. November 2016. http://www.fns.usda.gov/snap/characteristics-supplemental-nutrition-assistance-households-fiscal-year-2015.

[16] USDA FNS. *SNAP Fiscal Year Cost-of-Living Adjustments*. Memo dated August 10, 2016. http://www.fns.usda.gov/sites/default/files/snap/SNAP-Fiscal-Year-2017-Cost-of-Living-Adjustments.pdf.

[17] USDA FNS. *Supplemental Nutrition Assistance Program (SNAP): How Much Could I Receive?* http://www.fns.usda.gov/snap/how-much-could-i-receive.

Findings Theme 1: Serving SNAP Recipients through Innovation and Flexibility in Program Delivery

SNAP serves a diverse group of low-income individuals, primarily by providing benefits for the purchase of food. SNAP is intended to assist low-income individuals in strengthening their food purchasing power while they work to lift themselves out of poverty. This point was clearly illustrated by Robert Greenstein of the Center on Budget and Policy Priorities: "a family whose rent and utility costs consume two-thirds of its income will have less money to buy food than a family that has the same income but receives a rental voucher to cover a portion of its rental costs."[18] Most SNAP recipients face more challenges than food insecurity. They also face housing, utility, transportation, and childcare costs, to name a few. As noted earlier, this program has become a catchall for low-income individuals who either do not qualify for a more targeted program like WIC or who need to supplement their income (and other forms of public assistance) to purchase food. Challenges facing recipients may also differ depending on whether the recipient is a single parent, part of a two-parent household, an older American, a veteran, currently serving in the military, disabled, or is in an urban or rural environment. Jim Weill with the Food Research and Action Center (FRAC) pointed out the often surprising fact that "rural food insecurity rates are higher than metro area rates; and food insecurity rates are roughly the same in every region of the country, albeit they are highest in the South."[19] To best serve this diverse population, one must understand the demographics and the specific challenges they face.

> **"rural food insecurity rates are higher than metro area rates; and food insecurity rates are roughly the same in every region of the country, albeit they are highest in the South."**
>
> **-Jim Weill, Food Research and Action Center**

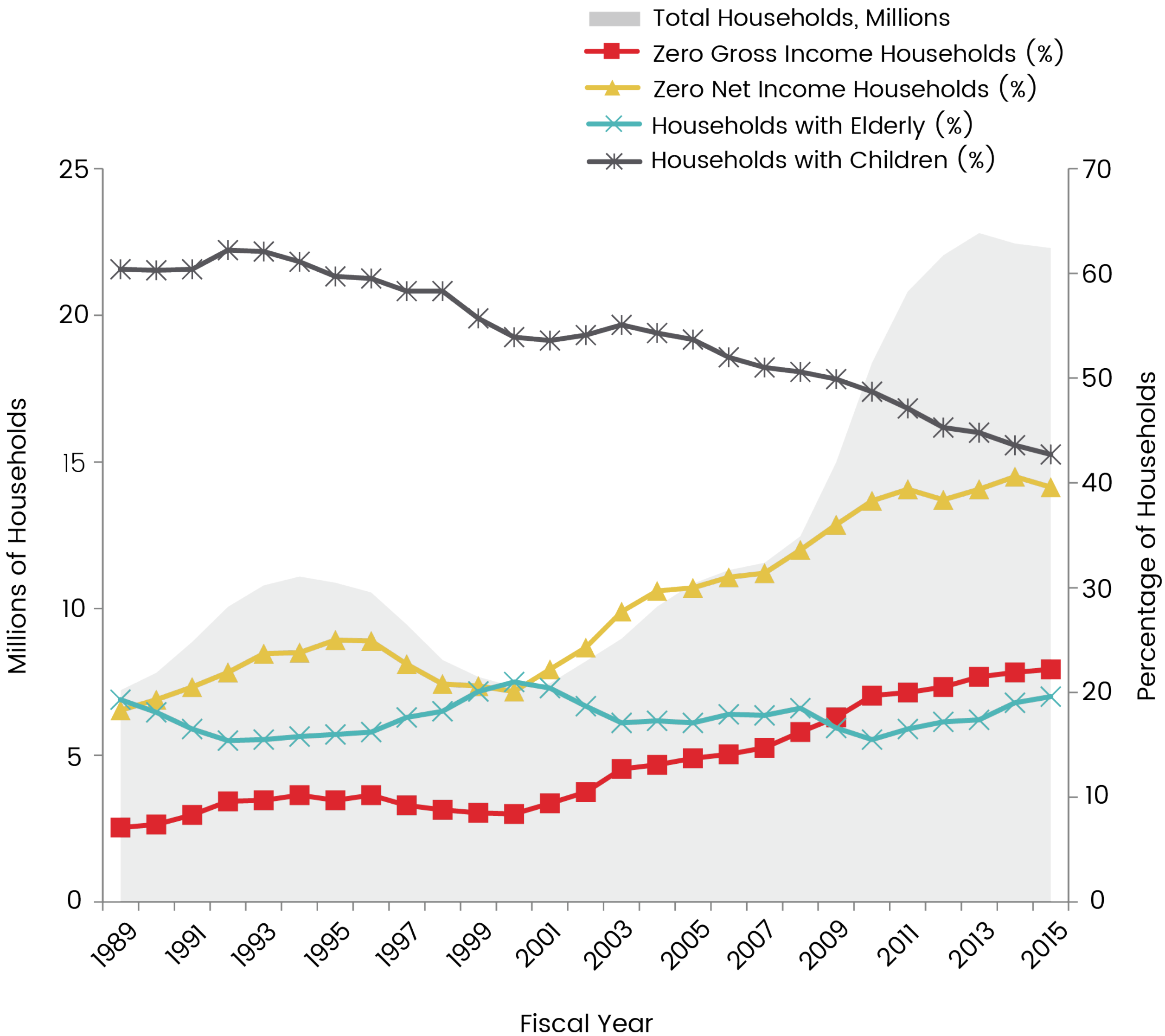
In FY 2015, about 45.8 million people living in 22.5 million U.S. households participated in SNAP in an average month. Of those households:[20]

- 32 percent had earned income;
- 22 percent had zero gross income; and
- 40 percent had zero net income.

Seventy-five percent of households included a child, an elderly individual, or an individual with a disability, and these households received 82 percent of all SNAP benefits. A majority of SNAP households with children were single-adult households. In total, almost two-thirds of participants are children, elderly, or disabled: 44 percent of participants were under age 18, 11 percent were age 60 or older, and 10 percent were disabled nonelderly adults.[21]

[18] Robert Greenstein, President, Center on Budget and Policy Priorities. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP*. February 25, 2015. Washington, D.C.
[19] Jim Weill, President, Food Research and Action Center. Hearing of the U.S. House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Developing and Using Evidence-Based Solutions*. July 15, 2015. Washington, D.C.
[20] *Id.*, n. 15.
[21] *Id.*, n. 15.

SNAP Household Participation and Characteristics: Decreasing Share of Households with Children, and Increasing Share of Households with No Gross or Net Income[22]



Source: USDA FNS. *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2015.* Report No. SNAP-16-CHAR. November 2016. http://www.fns.usda.gov/snap/characteristics-supplemental-nutrition-assistance-households-fiscal-year-2015.

A more comprehensive listing of the characteristics of SNAP recipients for FY 2015 is provided in the following table and provides important context for the discussion of recipients in the next section.

[22] *Id.*, n. 15.

SNAP Households, Participants, and Benefits Summary

	SNAP Households (000)	Percent (%)	Participants in Households with Household Characteristic (000)	Percent (%)	Approximated Annual Dollars (000) Based on SNAP QC Sample	Percent (%)
Total						
Total	22,293	100.0%	45,184	100.0%	68,012,160	100.0%
Children	9,5150	42.7%	30,774	68.1%	44,824	65.9%
Seniors	4,361	19.6%	5,503	12.2%	6,703,452	9.9%
Non-Elderly Individuals with Disabilities	4,498	20.2%	8,349	18.5%	10,409,256	15.3%
Adults Age 18 to 49 without Disabilities in Childless Households (ABAWDs)	4,265	19.1%	5,098	11.3%	10,027,836	14.7%
Locality						
Metropolitan	18,325	82.2%	36,952	81.8%	56,300,844	82.8%
Micropolitan	2,177	9.8%	4,520	10.0%	6,455,412	89.5%
Rural	1,451	6.5%	3,087	6.8%	4,387,500	6.5%
Countable Income Source						
No Gross Income	4,943	22.2%	7,574	16.8%	16,454,208	24.2%
No Net Income	8,837	39.6%	15,011	33.2%	32,155,152	47.3%
No Earned Income	15,212	68.2%	25,241	55.9%	42,283,800	62.2%
TANF Income	1,293	5.8%	3,850	8.5%	6,276,360	9.2%
SSI	4,559	20.5%	7,912	17.5%	10,557,420	15.5%
Social Security Income	5,451	24.5%	8,026	17.8%	8,827,512	13.0%
SNAP Benefit						
Minimum Benefit	1,610	7.2%	1,931	4.3%	309,372	0.5%
Maximum Benefit	9,160	41.1%	15,333	33.9%	32,906,256	48.4%

Note: the values in this table are calculated based on the SNAP QC sample and may vary from the programmatic totals also published by USDA.

Source: USDA FNS. *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2015*. Report No. SNAP-16-CHAR. November 2016.

Finding 1a: SNAP serves a wide-ranging demographic, and the program must adapt to meet the needs of each recipient.

SNAP serves a wide variety of individuals, both young and old. It serves veterans. It serves the disabled. It serves individuals, couples, and large families alike. The needs of these populations are wide-ranging and require various programmatic adaptations to meet those needs. This section provides an overview of SNAP participant characteristics that were highlighted throughout the hearing series.

Seniors

Seniors have the lowest rates of SNAP participation among eligible households of any demographic. While the low participation rate has a variety of causes, a prominent explanation is the stigma associated with SNAP and welfare in general. Many factors contribute to a lack of access to food among seniors, including a lack of a substantial income, the gap between Medicaid and the cost of living, limited income with specialized diets, and mental and physical illnesses.[23] The issues facing these populations must be viewed holistically, with SNAP as one piece of a larger solution to solving hunger for seniors.

[23] Lynda Ender, AGE Director, The Senior Source. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition and the Role of the Charitable Sector*. April 15, 2015. Washington, D.C.

At the Committee's hearing on *Special Populations*, Eric Schneidewind with AARP detailed the unique impact age can have on food insecurity:

> "Elderly households, which are defined as those with an individual over age 60, represented 19 percent of all SNAP recipients in FY 2014. Out of this cohort, 85 percent received either Supplemental Security Income (SSI) or Social Security, and 82 percent of elderly households receiving SNAP consisted of an elderly individual living alone. On average, elderly SNAP households received an average benefit of $129 per month. According to research by the AARP Foundation—a charitable affiliate of AARP—over 17 percent of adults over the age of 40 are food-insecure. Among age cohorts over age 50, food insecurity was worse for the 50-59 age group, with over 10 percent experiencing either low or very low food security. Among the 60-69 age cohort, over 9 percent experienced similar levels of food insecurity, and over 6 percent among the 70+ population. This emphasizes the fact that the younger segment of older Americans are often at deeper risk for food insecurity than their older counterparts, primarily because they have yet to receive Social Security benefits and—even if they have specialized needs or limitations—might not qualify for other nutrition assistance programs geared toward older Americans."[24]

Beyond the affordability of food and complexities of transportation, seniors often have specific dietary needs, and specialized diets can be difficult to afford on a limited income. Metabolic illnesses, such as diabetes, require special consideration. Vinsen Faris with Meals on Wheels pointed out that for seniors "… even a slight reduction in nutritional intake can exacerbate existing health conditions."[25] A person with diabetes may be unable to eat foods with added sugars or even foods, such as grains, that turn into fructose when digested. While many food banks and pantries are trying to provide a larger range of healthy foods for families with dietary restrictions, the increasing number of seniors with dietary restrictions still poses a significant challenge.

A number of SNAP options and other programs are designed to address these challenges. Elderly and disabled SNAP recipients are able to assign their EBT card to another individual so that person can purchase food. Congregate (community meal) food sites—similar in concept to group sites for providing summer meals for children—allow seniors to gather for a prepared meal. There is also a special Senior Farmers' Market program to promote the purchase of fresh fruits and vegetables. Finally, the Commodity Supplemental Food Program (CSFP) works to improve the health of low-income elderly persons at least 60 years of age by supplementing their diets with nutritious, USDA-surplus foods provided in boxes delivered to their homes through local food banks.

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[24] Eric Schneidewind, President-Elect of AARP. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Addressing Special Populations*. January 12, 2016. Washington, D.C.

[25] Vinsen Faris, Executive Director, Meals on Wheels of Johnson and Ellis Counties in North Central Texas. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Addressing Special Populations*. January 12, 2016. Washington, D.C.

Children

SNAP serves 9.5 million households with children, which account for 43 percent of all SNAP households.[26] While single-parent households are more susceptible to food insecurity, especially those with single mothers, two-parent families also struggle with food insecurity. Among married couple families with children, the rate of hunger among individuals is 3.5 percent (3.9 million individuals); whereas for households headed by a single mother, the rate is 13.2 percent (4.7 million individuals); and for households headed by a single father, the rate is 7.2 percent (0.8 million individuals).[27]

The Committee hearing *Breaking the Cycle* focused on how to best give children who grew up in low-income households a chance to climb the economic ladder. Dr. Caroline Ratcliffe with the Urban Institute pointed out that "roughly 29 million of today's children are expected to live below the poverty line before age 18."[28] Educational attainment (including technical school or local community college) is a key component of breaking the cycle; in fact, a parent's education level can influence whether or not a child grows up in poverty. Gaining skills to be in a long-term stable job can bring about higher wages and more opportunity for economic mobility. Education is becoming increasingly important as Dr. Elisabeth Babcock of the Crittenton Women's Union noted: "Seventy-five percent of the jobs in the economy as of 2020 are predicted to require education beyond high school, and all of the jobs that pay family sustaining wages require this."[29]

Poverty has negative consequences on a child's cognitive and physical development. Poverty has a trickle-down effect that can impact the emotional well-being of children, in both the long- and short-term. Dr. Eduardo Ochoa, Jr. from Children's HealthWatch outlined the negative impacts poverty and food insecurity can have on the development of children:[30]

- Household food insecurity increases the risk of developmental delays by approximately 70 percent in early childhood;
- Mental health problems such as depression and anxiety disorders in mothers and behavioral problems in preschool age children are more common when mothers are food insecure;
- Food insecurity is linked to developmental consequences for both girls and boys during kindergarten through third grade; and
- Food-insecure children are more than twice as likely to be in fair-to-poor health than are food-secure children.

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[26] *Id.*, n. 15.
[27] Coleman-Jensen A., Rabbitt M.P., Gregory C., Singh A. *Statistical supplement to household food security in the United States in 2014*. Washington, D.C.: U.S. Department of Agriculture, Economic Research Service. September 2015. https://www.ers.usda.gov/webdocs/publications/err194/53740_err194.pdf.
[28] Dr. Caroline Ratcliffe, Senior Fellow and Economist, Urban Institute. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Breaking the Cycle*. October 27, 2015. Washington, D.C.
[29] Dr. Elisabeth Babcock, President and CEO, Crittenton Women's Union. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.
[30] Dr. Eduardo Ochoa, Jr. Children's HealthWatch. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Breaking the Cycle*. October 27, 2015. Washington, D.C.

Nutrition programs that are especially targeted to children provide much-needed nutrition assistance in key periods of a child's developmental growth, promoting their health and wellbeing, and impacting their ability to learn, grow, and develop to their full potential.[31] Ruth Riley, a former WNBA player shared her own experience with SNAP: "I often joke that growing up I was tall, lanky and uncoordinated. Looking back, I can't imagine what my path would have been if I'd been tall, lanky, uncoordinated … and hungry."[32]

> **"I often joke that growing up I was tall, lanky and uncoordinated. Looking back, I can't imagine what my path would have been if I'd been tall, lanky, uncoordinated … and hungry."**
>
> **-Ruth Riley, former WNBA player**

Several programs outside of SNAP also serve children's nutrition needs. WIC provides Federal grants to states so beneficiaries—low-income pregnant or postpartum women and infants and children under 5 who are at nutritional risk—can purchase specific healthy foods. The School Breakfast Program (SBP) and National School Lunch Program (NSLP) provide children with meals at free or reduced prices, depending on income eligibility. A child that lives in a household that receives SNAP automatically qualifies for school meals. Because nutrition is so important to a child's development, when the SNAP benefit allotment is calculated for a household, there is no reduction in the SNAP benefit amount due to the child receiving meals at school.

Many of the factors associated with a child's future success go beyond what any single government program can or should achieve. SNAP is not the only means of breaking the cycle of poverty, but it can play a key role in increasing the food security of children.

Veterans

Veterans make incredible sacrifices on behalf of our country; therefore, it is imperative they have the resources they need to be successful in civilian life. Of the 22 million veterans in the United States, about 1.7 million are in households currently participating in SNAP (which is approximately 8 percent of all veterans in the United States). Veterans vary in age, functional capacity, and financial need. Approximately 46 percent of our veterans are seniors, including those that served in World War II, Korea, or Vietnam.[33] While younger veterans may align more closely with the able-bodied populations, they may also have widely-varying levels of disabilities or limitations.

Some veterans are able to reenter the workforce immediately after returning home, while others may need assistance adjusting to civilian life and training to reenter the workforce. Some have mental impairments, such as post-traumatic stress disorder (PTSD), that need to be treated and cared for in order for them to live a healthy life.

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[31] National Commission on Hunger. *Freedom from Hunger: An Achievable Goal for the United States of America*. 2015.
[32] Ruth Riley. WNBA Athlete. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Breaking the Cycle*. October 27, 2015. Washington, D.C.
[33] U.S. Department of Veterans Affairs. National Center for Veterans Analysis and Statistics. FY 2016 Q1. VA Benefits & Health Care Utilization. http://www.va.gov/vetdata/docs/pocketcards/fy2016q1.pdf.

Some veterans are unable to reenter the workforce at all. In most cases, veteran advocacy groups are focused on obtaining earned Veterans Affairs benefits which can take months, but they do not immediately connect veterans to SNAP which can be available immediately. Again, SNAP cannot solve all of the challenges a veteran faces, but it is an important component of serving eligible veterans once they return home.

Active-Duty Military

As Abby Leibman of MAZON: A Jewish Response to Hunger points out: "For currently serving members of the military, food insecurity is triggered by a number of different circumstances, including low pay among lower ranking enlistees, high unemployment among military spouses, larger household sizes, challenges around activation and deployment, and unexpected financial emergencies."[34]

Historically, active-duty military members had the option to participate in the Family Subsistence Supplemental Allowance (FSSA), administered by the Department of Defense, rather than utilizing SNAP. This program assisted military members that were in the lowest pay bracket and had multiple children. FSSA benefits could be used at the same places as SNAP, including military commissaries. In addition to financial requirements, military personnel were required to request access to FSSA up through their chain of command. The program was officially disbanded on September 30, 2016, for individuals serving within the United States or U.S. territories. It was determined the benefit was duplicative, underutilized, hard to qualify for, and less valuable than SNAP, with as few as 100 military families utilizing FSSA. In contrast, in 2014, USDA projected that there were as many as 22,000 military families receiving SNAP in the United States.

A significant barrier facing some military families is how they receive their housing allotment. If families live in military housing, it is treated as an in-kind benefit and is not counted toward their SNAP eligibility calculation, lowering their income and increasing their SNAP benefit amount (SNAP eligibility is discussed in detail later in this report). However, if the family receives the Basic Allowance for Housing to reside off base, then the housing allowance is counted as income for the family when computing eligibility, increasing the family's income and decreasing the SNAP benefit. This simple distinction can be the determining factor for whether military families qualify for SNAP.

Finding 1b: States can take advantage of available state options and waivers, as well as new and developing technologies.

As Chairman Conaway pointed out in his opening statement at the March 2, 2016, hearing: "State flexibility can be an important tool in helping a family move out of poverty, however, the American taxpayer needs confidence that government programs are being targeted to those most in need."[35]

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[34] Abby Leibman, President and CEO, MAZON: A Jewish Response to Hunger. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Addressing Special Populations*. January 12, 2016. Washington, D.C.
[35] K. Michael Conaway, Chairman of the House Committee on Agriculture. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Examining State Options*. March 2, 2016. Washington, D.C.

SNAP implementing agencies have various policy options made available through statute, regulations, and waivers. By using the flexibility available to them, states have the ability to adapt their programs to meet specific needs within their local communities. These can improve access to the program and improve efficiency of program administration.

States have the ability to expand SNAP categorical eligibility beyond recipients who receive **cash** benefits from another specified program (e.g., TANF, SSI, or GA). Known as Broad-Based Categorical Eligibility (BBCE), households that receive **noncash** benefits funded by TANF or Maintenance of Effort (MOE) funds are deemed eligible for SNAP, thus indirectly aligning a state's SNAP asset and income limits with the TANF noncash benefit program. Other state options include the ability to centralize or decentralize administration of SNAP; to make adjustments to how often recipients have to report changes in income; to determine how soon the state must take action on changes in income; to determine adjustments to allowances for utilities and homeless housing; to determine how vehicles are treated as assets; to determine how various types of income are treated; to decide how drug felons are treated; to determine whether transitional benefits are offered; to offer online applications; and to make use of various technology options. Additional details are provided in the table that follows.[36]

Many witnesses pointed to the importance of state options in allowing SNAP to target those in need. Examples of requests for additional flexibility include allowing states to ask for additional information in filing an online application and for flexibility in determining when interviews for initial certification or recertification are conducted.[37]

Waivers are awarded to states at the discretion of USDA's Food and Nutrition Service (FNS), whereas state options are used at the discretion of states. Many waivers that are widely used eventually become state options. As Stacy Dean of the Center on Budget and Policy Priorities pointed out, the use of waivers from USDA allows states to test new ideas: "USDA can waive certain SNAP requirements to test whether a change would be in the program's interest."[38] Jon Baron of the Laura and John Arnold Foundation also pointed out a need for testing ideas at the state level, and then using that information to inform FNS and SNAP agencies in other states. However, he cautioned that "to build a body of proven effective strategies within SNAP, as in welfare, will require a much larger effort, specifically strategic trial and error."[39] There is a need

"to build a body of proven effective strategies within SNAP, as in welfare, will require a much larger effort, specifically strategic trial and error."

-Jon Baron, Laura and John Arnold Foundation

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[36] USDA FNS SNAP. *State Options Report*. April 15, 2016. http://www.fns.usda.gov/snap/state-options-report.

[37] Stephanie Muth, Deputy Executive Commissioner for the Office of Social Services, Texas Health and Human Services Commission. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Examining State Options*. March 2, 2016. Washington, D.C.

[38] Stacy Dean, Vice President for Food Assistance Policy, Center for Budget and Policy Priorities. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Examining State Options*. March 2, 2016. Washington, D.C.

[39] Jon Baron, Vice-President for Evidence-Based Policy, Laura and John Arnold Foundation. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Developing and Using Evidence-Based Solutions*. July 15, 2015. Washington, D.C.

for balance between state options, waivers, and program efficiency and integrity. FNS plays an important role in providing guidance and oversight to states, as well as in centralizing key program functions.

States have the option to make a number of determinations on program administration, reporting, eligibility, and resources, even beyond those included in this report. Select decisions that states must make in deciding how to operate SNAP are included in the table below.

Select State Options for SNAP

Title of State Option	It is the State's Option to Determine:
Program Administration	Is it a state or county administered program?
Reporting Requirements	How frequently must SNAP recipients report changes in household circumstances?
Simplified Reporting—Action on Changes	Must the state agency act on all changes reported during the certification period, or only on changes that increase household benefits?
Simplified Reporting—Certification Length	How often will a state certify households based on various circumstances (e.g., 6, 12, 24 or months)?
Simplified Income and Resources	Will some types of income and resources be excluded to align SNAP policy with TANF or Medicaid policy?
Simplified Self-Employment Determination	Will the state adopt a simplified method for determining the cost of doing business for the self-employed? If so, will the method be a flat percentage, a figure based on average costs, or another method?
Treatment of Income and Deductions of Ineligible Non-Citizens	For non-citizens who would have been ineligible for SNAP prior to PRWORA, will the state count all, or a pro-rated share of the individual's income and deductions when determining the benefit level of other household members? For non-citizens who are ineligible for SNAP because of PRWORA, will the state count none, or a pro-rated share of the individual's income and deductions when determining the benefit level of other household members?
Standard Utility Allowances (SUAs)	Will the standard utility allowance be mandatory (thus, the state is opting out of prorating SUA's for households that share a living space and is required to use an SUA that includes specific treatment of utility costs for public housing residents)?
Treatment of Vehicles	Will the state's SNAP vehicle policy be aligned with their TANF policy (only if it will result in lower attribution of household assets)? Will the state opt to exclude all vehicles or exclude at least one vehicle? Will the state raise the exception amount above the standard exception amount of $4,650 to fair market value?

Select State Options for SNAP (Continued)

Title of State Option	It is the State's Option to Determine:
Child Support Expense Income Exclusion	Will the state treat legally obligated child support payments as deductions or income exclusions?
Child Support Related Disqualifications	Will the state disqualify individuals who fail to cooperate with child support enforcement, who are in arrears in court-ordered child support, or both?
Comparable Disqualifications	Will the state disqualify SNAP applicants or recipients who fail to perform actions required by other means-tested public assistance programs? (Applies to that individual only, not entire household)
Drug Felony Disqualifications	Will the state opt out entirely from the permanent disqualification of SNAP eligibility of drug felons, or choose to implement less severe restrictions, or leave the lifetime ban in place?
Work Requirements and Disqualification Policy	For work requirements, (1) will the state establish disqualification (DQ) periods longer than the minimums?, (2) Will the state make the DQ permanent upon the third occurrence?, and (3) Will the state sanction the entire household if the head of household fails to comply?
Broad-Based Categorical Eligibility (BBCE)	Will the state expand categorical eligibility to BBCE, making households that receive noncash benefits that are funded by TANF or Maintenance of Effort funds eligible? (Households must still provide documentation of income and expenses for benefits to be calculated, must meet all other SNAP rules, and have net incomes low enough to qualify for benefits).
Transitional Benefits Alternative (TBA)	For households leaving TANF or state-funded cash assistance programs, will the state offer up to 5 months of benefits at a level equal to the amount the household received prior to TANF termination (adjusted for the loss of TANF income)? Will state agencies exclude households where all members are ineligible to receive SNAP benefits because of failure to comply with rules of other means-tested programs, failure to cooperate with child support agencies, and/or delinquency on court-ordered child support?
Document Imaging	Will the state create a paperless or less paper intensive certification process?

Select State Options for SNAP (Continued)

Title of State Option	It is the State's Option to Determine:
Combined Application Project (CAP)	Will the state participate in a demonstration project to streamline application procedures for individuals receiving SSI benefits?
Online Applications	Will the state allow households to complete applications online, to recertify online, both, or neither?
Online Case Management	Will the state allow online case management? Specifically, will the state allow clients to view case information, report changes in factors that affect eligibility or benefit level, and/or upload documents?
Call Centers	Will the state provide a call center? If so, will the call center perform specific functions such as certifying and re-certifying households? Will the state have one statewide call center, multiple call centers with specific functions, or multiple call centers that cover specific areas?
Mobile Technology	Will the state provide services via a mobile platform? Will it be SMS messaging only, or will there also be a mobile app?
Simplified Homeless Housing Cost	Will the state use a standard $143 per month for homeless shelter expenses?
Demonstrations for the Elderly and Disabled	Will the state request a demonstration waiver to implement a more streamlined application and certification process for the elderly (ESAP)? Will the state request a demonstration waiver to establish a Standard Medical Deduction (SMD) for elderly or disabled SNAP household members in lieu of calculating actual allowable, out-of-pocket medical expenses?

Note: This table reflects state options reflected in the most recent USDA FNS *State Options Report.* April 15, 2016.

Source: USDA FNS SNAP. *State Options Report*. Options as of October 1, 2015. Published April 15, 2016. http://www.fns.usda.gov/snap/state-options-report.

Technology plays an important role in implementing these state options. For example, the use of computers streamlines the application process and makes SNAP more accessible to low-income families. The use of technology can also ease administrative burdens and enhance program integrity.

Finding 1c: Broad-Based Categorical Eligibility (BBCE) is the most significant state option in SNAP recipient eligibility determinations.

Given that SNAP is a state-administered program, states have a number of options at their disposal for determining the eligibility of SNAP participants. One of the most significant state options is the type of categorical eligibility states choose to implement: regular, narrow, or broad-based. Categorical eligibility provides flexibility and administrative ease for states to administer several welfare programs simultaneously, in particular by altering or eliminating asset tests, gross income tests, and net income tests. States that elect the broadest form of categorical eligibility are unable to guarantee that they are only serving households with limited assets.

In general, to become eligible for SNAP, households must meet gross income, net income, and asset thresholds. In summary, the income and asset requirements for SNAP eligibility are:[40]

Gross Income: gross monthly income (all income as defined by SNAP law) for the household must be at or below 130% of the Federal poverty level.

Net Income: net household monthly income (with SNAP-specific deductions subtracted) must be at or below 100% of the Federal poverty level.

Assets: household assets are limited to a maximum of $2,250 per household (adjusted for inflation) or $3,250 (adjusted for inflation) for households that have an elderly or disabled member, with various exceptions for assets like homes, vehicles, and retirement savings.

SNAP Asset Test Summary[48]

Asset tests in SNAP are intended to limit program eligibility to those households who are most in need. This directs program benefits to those with the fewest financial resources. Federal rules impose a resource test on a household's liquid assets, with the limit dependent on whether the household includes an elderly or disabled member, effectively applying a less restrictive asset test to those groups.

SNAP legislation in 1964 left it to the states to set asset limits.[41] This changed in 1971, when the Secretary of Agriculture was required to set asset limits with exceptions for elderly households.[42] Since that time, SNAP asset limits have been raised and lowered and adjusted for inflation, and additional exceptions were made for households with disabled members.[43,44,45,46,47] For FY 2017, the maximum value of counted assets for most households is capped at $2,250, and the maximum value of counted assets for households with an elderly or disabled member is capped at $3,250.

Included Assets:

- Cash on hand
- Checking and savings accounts
- Savings certificates
- Stocks and bonds
- Nonrecurring lump sum payments and lump sum payments that have been disregarded as income
- A portion of the value of vehicles (in some cases)
- Recreational property

Excluded Assets:

- Household's primary residence (home and surrounding property)
- Business assets
- Personal property (household goods and personal effects)
- Lump sum earned income tax credit and other non-recurring payments
- Burial plots
- Cash value of life insurance policies
- Value of all tax-recognized pension savings/plans and education savings
- Certain other resources whose value is not accessible to the household
- Certain other resources that would not yield more than $1,000 if sold
- Certain other resources that are required to be disregarded by other Federal laws

Of note is the vehicle asset limit, which is exercised as a state option. States have the option to align their SNAP vehicle policy with their TANF policy when it will result in a lower calculation of assets. The standard excluded amount of a vehicle is $4,650; however states may raise this amount to fair market value, opt to exclude the full value of at least one vehicle, or opt to exclude the value of all vehicles.[49]

40 *Id.*, n. 14.
41 P.L. 88-525, §5
42 P.L. 91-671, § 4
43 P.L. 95-113 §1301
44 P.L. 96–249, §§108, 138
45 P.L. 99–198, §1514
46 P.L. 107-171, § 4107
47 P.L. 110-246, § 4104
48 *Id.*, n. 14.
49 *Id.*, n. 36.

Federal law provides two basic pathways for SNAP eligibility: (1) by meeting program-specific federal requirements (including those above), or (2) by being deemed automatically, or "categorically" eligible, based on participation in other low-income assistance programs. In general, categorical eligibility eliminates the need for making a financial eligibility determination for SNAP if a household has already been through a determination for another low-income program (even if the eligibility criteria are not the same). However, categorically eligible households generally must still meet prescribed income requirements to receive SNAP benefits.

For states electing to use categorical eligibility, there are three types:[50]

Traditional Categorical Eligibility: All members of a household are automatically made eligible for SNAP based on the receipt of needs-tested cash aid from TANF, SSI, or GA. These households have already met the income and asset tests for cash aid, and these thresholds are generally stricter than those for SNAP.

Narrow Categorical Eligibility: A less restrictive eligibility standard than traditional categorical eligibility, with eligibility conveyed through receipt of cash or specific noncash benefits from TANF, such as child care and counseling. Relative to traditional categorical eligibility, more households are eligible with narrow categorical eligibility.

Broad-Based Categorical Eligibility (BBCE): The least restrictive option, where households may become eligible for SNAP because they qualify for any noncash TANF or state MOE funded benefit. This broadens the eligibility for SNAP because noncash TANF benefits typically are available to a broader range of households and at higher income levels.

By allowing states to align their SNAP eligibility (and asset tests) with TANF eligibility (and asset tests), BBCE has eliminated the asset test for SNAP in many states. As shown in the following map, as of January 2016 there are 42 states that currently use BBCE. Only 5 of the 42 states that utilize BBCE have an asset test that applies to most applicants. In the other 37 BBCE states, there is no asset test for households that qualify for SNAP under BBCE rules.[51] In contrast, there are 6 states that use only traditional categorical eligibility. Since states that do not administer an asset test generally do not collect data on the assets of SNAP households, it is not possible to determine the extent to which BBCE has resulted in households with assets above the usual SNAP asset limit receiving benefits. Households that are not deemed categorically eligible for SNAP may apply for and receive SNAP benefits under regular SNAP rules.[52]

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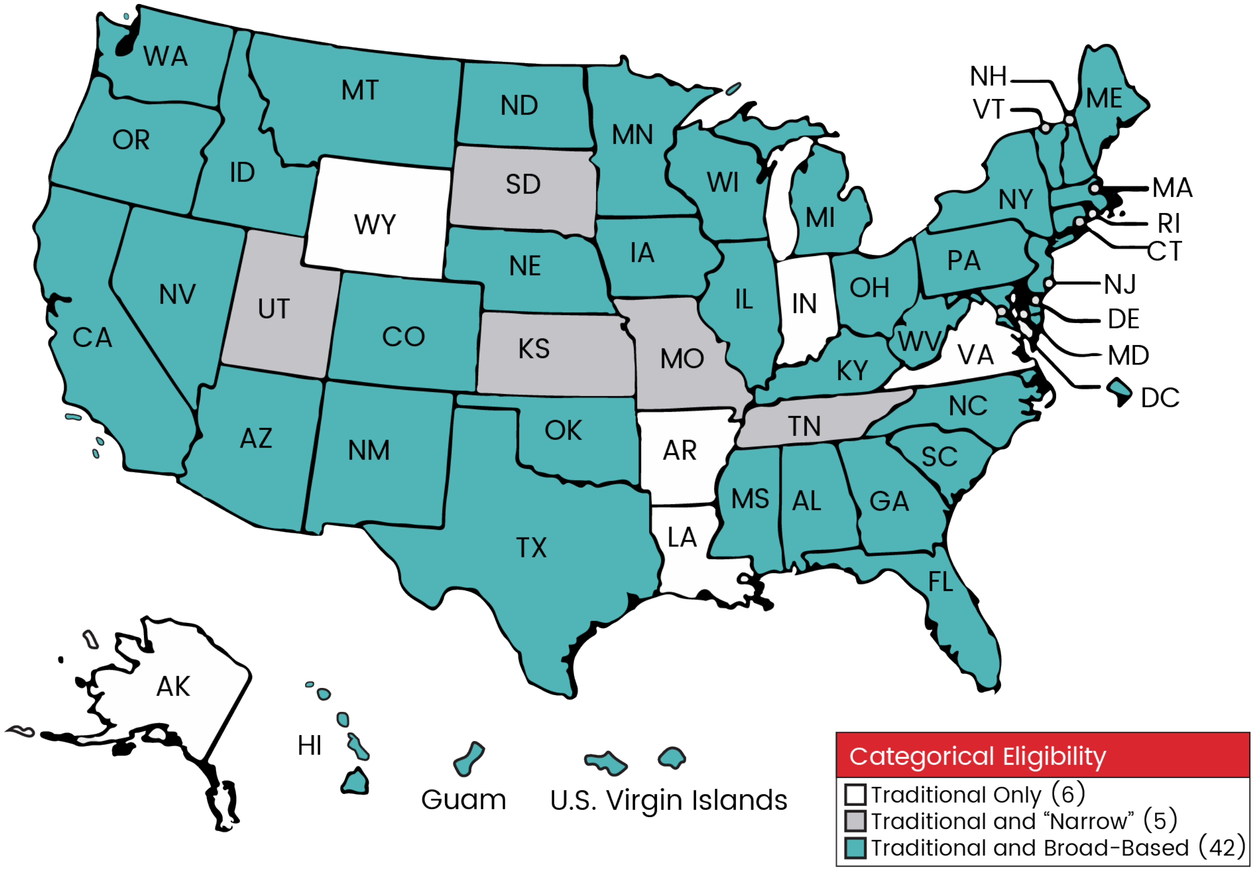
[50] Gene Falk and Randy Aussenburg. Congressional Research Service. *The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility*. February 2, 2016. http://www.nationalaglawcenter.org/wp-content/uploads/assets/crs/R42054.pdf.
[51] USDA FNS. *Broad Based Categorical Eligibility*. August 2016. http://www.fns.usda.gov/sites/default/files/snap/BBCE.pdf.
[52] *Ibid*.



Source: Gene Falk and Randy Aussenberg. Congressional Research Service. *The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility.* February 2, 2016. http://nationalaglawcenter.org/wp-content/uploads/assets/crs/R42054.pdf.

Karen Cunnyngham of Mathematica highlighted the impacts of BBCE: "We estimate that, in [FY] 2014, 8 percent of SNAP households were eligible solely through State expanded categorical eligibility programs."[53] She also reported that within BBCE, approximately 3 percent of households were eligible through higher income limits, and 5 percent of households were eligible through higher asset limits.

Compared to the other options available to states, BBCE has the most significant impact on determining eligibility. While households eligible solely due to categorical eligibility receive lower-than-average benefits, recipient benefits for the 8 percent of households made eligible due to BBCE could still account for hundreds of millions of dollars in benefits.

In contrast to BBCE, most other state options deal more with program administration than with eligibility. By allowing states to grant eligibility to those who receive noncash benefits in other specified programs, some state options broaden the pool of recipients and eligible applicants and extend benefits beyond the original parameters of the program. There are few other state options that do this, and none of them do it to the same extent as BBCE.

[53] Karen Cunnyngham, Senior Researcher, Mathematica Policy Research. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Examining State Options*. March 2, 2016. Washington, D.C.

Finding 1d: The need for nutrition assistance cannot be addressed by just one program or just one group—it requires more collaboration between governments, charities, businesses, health systems, communities, individuals, and many others.

Private-sector charitable organizations play a vital role in assisting families living in poverty. Whether it is a food bank helping families put food on the table or a non-profit researching the best way to engage families so they can successfully transition out of poverty, all of these organizations play a role. "Everyone; the Federal Government, state governments, not-for-profits, the private sector, researchers, and recipients themselves, have a role to play in lifting Americans out of poverty and up the economic ladder," stated Subcommittee Chairwoman Jackie Walorski during the hearing focused on *Addressing Special Populations*.[54]

> **"Everyone; the Federal Government, state governments, not-for-profits, the private sector, researchers, and recipients themselves, have a role to play in lifting Americans out of poverty and up the economic ladder."**
>
> **-Rep. Jackie Walorski (IN-2), Nutrition Subcommittee Chairwoman**

Public-private partnerships emphasize the value in understanding what is happening within communities, and holistically in the life of individuals, in order to best meet their needs. As Dustin Kunz of the Texas Hunger Initiative stated in his testimony, "Complex problems require complex, creative, and collaborative solutions. Public challenges, such as food insecurity, require a response that exceeds the capabilities and resources of any one department, organization, or jurisdiction. Collaboration provides a way to stretch those resources and accomplish more with less, and the benefits of these partnerships include cost savings and enhanced quality and quantity of services, while also addressing community needs, enhancing trust, and increasing citizen support."[55] SNAP should work in tandem with the services that are being provided locally. The Federal Government should then work to enhance the work on the ground and not impede it. This also requires the individual in need to be invested in working toward self-sufficiency. Unless the individual, local, state, and Federal organizations are all working together, efforts to improve the circumstances may be in vain. Jonathan Webb with Feed the Children affirmed that by stating, "when we are looking at these solutions, it needs to be a broad-based approach to the solution that understands that poverty is a component, education is a component, employment is a component, and bringing these collaborative folks to the table to take their piece of the issue in a way that gives them flexibility to test new ideas is the approach that we are suggesting."[56]

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[54] Jackie Walorski, Chairwoman of the Subcommittee on Nutrition, Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Addressing Special Populations*. January 12, 2016. Washington, D.C.

[55] Dustin Kunz, Research Project Manager, Texas Hunger Initiative. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition and the Role of the Charitable Sector*. April 15, 2015. Washington, D.C.

[56] Jonathan Webb, Director of Foundations and Community Outreach, Feed the Children. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition and the Role of the Charitable Sector.* April 15, 2015. Washington, D.C.

Establishing best practices and forming models based on evaluation metrics leads to stronger case management and informs what works best for specific communities. Jeremy Everett of Texas Hunger Initiative asserts that "when public and private partnerships are carefully informed by research and evaluation, stronger networks are likely formed between clients and local organizations, thus building a foundation for increased social capital for low-income families."[57] For public-private partnerships to work, it is important to understand the needs and resources in a community and how those can be leveraged to assist low-income individuals to climb the economic ladder.

> **"when public and private partnerships are carefully informed by research and evaluation, stronger networks are likely formed between clients and local organizations, thus building a foundation for increased social capital for low-income families."**
>
> **-Jeremy Everett, Texas Hunger Initiative**

The charitable sector provides case management as a key component in improving the overall well-being of a low-income individual or family. Case management allows the holistic needs of the individual to be recognized by identifying barriers, providing tools and skills, and connecting clients to available resources. This has been applied in the SNAP Employment and Training (E&T) program and in the initial application process to ensure clients are receiving the government benefits they qualify for, as well as services that might be available to them in their community. This was highlighted by Jon Anderson of Georgia's Division of Family and Child Services, who emphasized the importance of coordinating nutrition services with other government services through the use of case management.[58] Although case management differs based on the community, organization, and its goals, it has proven a critical component of ensuring that SNAP recipients have an increased chance of upward mobility. Patrick Raglow with Catholic Charities of the Archdiocese of Oklahoma City, emphasized the success of case management strategies: "Case management as employed by Catholic Charities and similar agencies, seeks to engage those we serve in a relationship to best address the conditions which bring the client to us, and not merely transfer resources to cover immediate needs. We accompany people on their journey to self-sufficiency, drawing from each client's own resources, talents, aspirations, and objectives."[59]

Food banks provide another example of the combined efforts of charitable organizations and government programs to alleviate hunger. Many food banks receive some level of government funding through The Emergency Food Assistance Program (TEFAP) and CSFP. TEFAP provides assistance to food banks through

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[57] Jeremy Everett, Director, Texas Hunger Initiative. Hearing of the U.S. House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Developing and Using Evidence-Based Solutions*. July 15, 2015. Washington, D.C.

[58] Jon Anderson, Deputy Division Director, Division of Family and Children Services. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Improving Innovation and Success in Employment and Training Programs*. September 13, 2016. Washington, D.C.

[59] Patrick Raglow, Executive Director, Catholic Charities of the Archdiocese of Oklahoma City. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

mandatory funding in the farm bill, bonus purchases made by USDA to provide support to agriculture markets, and through storage and distribution funds provided through the appropriations process. While Federal commodities and funds are important to food banks, the majority of their food is donated by retailers, manufacturers, and private donors. In addition to working through TEFAP and CSFP, food banks are very involved in many facets of SNAP. They can be the grantees of SNAP E&T, SNAP Outreach, and/or SNAP-Ed (officially, the Nutrition Education and Obesity Prevention Grant program funding).

Many food banks also have staff that provide support in signing up low-income individuals for public benefits. While food banks do play a crucial role in assisting low-income individuals, it is important to note that the United States cannot simply "food bank" its way out of hunger. Rather, it takes the coordinated effort of all Federal, state, and local partners. Leveraging existing resources and promoting successful practices on the ground is an important step in reducing hunger and poverty in the United States. As Kate Maehr with the Greater Chicago Food Depository stated, "if we can keep the Federal nutrition programs strong, then the dollars that we get from private donations can actually help us support innovative efforts."[60]

Finding 1e: The diversity of programs serving low-income households simultaneously generates overlaps and gaps in recipient services.

While addressing food insecurity in the United States must involve a variety of organizations meeting a diversity of needs of low-income individuals, that complexity has led to duplication among welfare programs. The resulting confusion is pervasive at all levels—Federal, state, and local—in both public and private organizations. Dr. Eugene Steuerle with the Urban Institute had this to say about current policies that assist those in poverty:

> "With some exception, 20th century social welfare policy has entailed a liberal-conservative compromise that has never had a primary focus on mobility and opportunity, upon work and the gains that come about when individuals or households unite in marriage and other joint efforts. It has also failed for the most part to integrate programs efficiently and equitably, leading to high combined marginal tax rates, a weakened ability to adjust to individual circumstances, a lack of coordination among programs serving the same people, an inadequate targeting of benefits to those who qualify, and—relative to a focus on human capital and work—a lower growth rate for the economy as a whole."[61]

Federal food assistance is provided through a decentralized system that involves multiple Federal, state, and local organizations. The complex network of 18 food assistance programs (listed in *Appendix B*) emerged in a piecemeal fashion over the past several decades to meet various needs. In hearing testimony, the U.S.

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[60] Kate Maehr, CEO, Greater Chicago Food Depository. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition and the Role of the Charitable Sector*. April 15, 2015. Washington, D.C.

[61] Dr. Eugene Steuerle, Senior Fellow, Urban Institute. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

Government Accountability Office (GAO) noted that according to USDA and local providers, the multiple food assistance programs help to increase access to food for vulnerable or target populations.[62] However, GAO also testified that this patchwork of food assistance programs shows signs of program overlap. This can create unnecessary work and lead to inefficient use of resources. Further, overlapping eligibility requirements create duplicative work for both service providers and applicants. According to Dr. Angela Rachidi with the American Enterprise Institute, "The extent to which we can limit the burden on staff and on families by better consolidating and coordinating food assistance programs, the better these families will be served and the better the government's money will be spent."[63]

According to GAO, some food assistance programs provide comparable benefits to a similar population, but are managed separately, which could be a potentially inefficient use of Federal funds:[64]

- Six programs—NSLP, SBP, Fresh Fruit and Vegetable Program(FFVP), the Summer Food Service Program (SFSP), the Special Milk Program, and the Child and Adult Care Food Program (CACFP)—all provide food to eligible children in settings outside the home, such as at school, day care, or summer day camps.
- Two programs—CSFP and the Elderly Nutrition Program—both target older Americans.
- Individuals eligible for groceries through the CSFP are generally eligible for groceries through both TEFAP and SNAP.
- The Federal Emergency Management Agency's Emergency Food and Shelter National Board Program and TEFAP both provide groceries and prepared meals to needy individuals through local government and nonprofit entities.
- SFSP is similar to the Summer Seamless Option of the NSLP.

This patchwork system did not develop overnight, and the current framework is the result of a variety of factors. In fact, some of the overlap is rooted in split jurisdiction among the authorizing committees in Congress. For example, in the House of Representatives, the House Committee on Agriculture has jurisdiction over SNAP; Nutrition Assistance Program grants for Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands; Food Distribution Program on Indian Reservations (FDPIR); CSFP; TEFAP; Community Food Projects; the Senior Farmers' Market Nutrition Program; and authorizes the funding for FFVP. The House Committee on Education and the Workforce handles WIC; SFSP; NSLP; SBP; WIC Farmers' Market Nutrition Program; Special Milk Program; CACFP; and FFVP, generally. TANF, SSI, the Children's Health Insurance Program (CHIP), and Medicaid are authorized by the Committee on Ways and Means, and the housing programs are overseen by the Financial Services Committee.

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[62] Kay Brown, Director, Education, Workforce, and Income Security, U.S. Government Accountability Office. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition, Government Duplication, and Unmet Needs*. May 20, 2015. Washington, D.C.

[63] Dr. Angela Rachidi, Research Fellow, American Enterprise Institute. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition, Government Duplication, and Unmet Needs*. May 20, 2015. Washington, D.C.

[64] *Id.*, n. 62.

Various Federal, state, and local agencies are then responsible for administering this patchwork of programs on the ground. Regarding SNAP, the operation of the program is at the discretion of each state. For instance, in California, SNAP is a county-run program. In Texas, SNAP is administered by the state. The same goes for E&T programs within states. For example, New Jersey operates its E&T programs out of its Workforce Commission while some other states, such as Georgia, run their E&T programs out of their Health and Human Services departments. Dr. Angela Rachidi of the American Enterprise Institute cited a specific example in New York City where SNAP, WIC, school food programs, and child and adult care programs are all administered by different agencies and the result is that each agency must determine eligibility and administer benefits separately. According to Dr. Rachidi:

> "A better system would be to consolidate programs that share the same goals and coordinate programs across one or two governing bodies, with a focus on the person or household. This will save the government money and reduce the burden on participating families. It may also improve service delivery to families by ensuring that they are made aware of all the benefits they are eligible for, as well as limiting the chance for errors, fraud, and abuse. I provided three specific examples where coordination could be beneficial—setting nutrition guidelines, authorizing retailers, and administering nutrition education programs—and reducing inefficiencies in eligibility determination should also be explored."[65]

While the preceding examples concern nutrition programs, silos exist throughout the welfare system. Eligibility workers within one program may not know the eligibility requirements for another welfare program. This uncoordinated system makes it challenging to share information on participating households. In the Committee's first *Past, Present, and Future of SNAP* hearing, Douglas Besharov with the University of Maryland confirmed this, saying, "there is a great need to modernize the program and to coordinate it with TANF, with unemployment insurance, with SSI, with SSDI, and as well, the earned income tax credit."[66]

"there is a great need to modernize the program and to coordinate it with TANF, with unemployment insurance, with SSI, with SSDI, and as well, the earned income tax credit."

-Douglas Besharov, University of Maryland

A system that works in silos has a higher likelihood of fraud and error going undetected. States are beginning to focus more on coordination through data sharing across states and throughout the various programs.

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[65] Dr. Angela Rachidi, Research Fellow, American Enterprise Institute. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition, Government Duplication, and Unmet Needs*. May 20, 2015. Washington, D.C.

[66] Douglas Besharov, Professor, University of Maryland School of Public Policy. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP.* February 25, 2015. Washington, D.C.

Findings Theme 2: Climbing the Economic Ladder through Work

In the early days of the Food Stamp Program, eligibility requirements were established on a state-by-state basis. When the program expanded nationally, the Federal government began establishing uniform standards of eligibility, which included work requirements. There are now two main types of work requirements for SNAP: general work requirements and what is known as the "ABAWD time limit", which is a time limit for receiving SNAP benefits for Able-Bodied Adults without Dependents (ABAWDs). While some form of work requirements have historically been mandated, it is up to states as to how they are carried out. A recurring critique of work requirements is the degree to which they are enforced by states. As Dr. Ron Haskins with the Brookings Institution stated in his testimony, "[SNAP]currently has modest work requirements, but they do not appear to be rigorously enforced."[67]

> **"[SNAP] currently has modest work requirements, but they do not appear to be rigorously enforced."**
>
> **-Dr. Ron Haskins, Brookings Institution**

The current **general work requirements** were created in 1971 by an amendment to the Food Stamp Act of 1964 (P.L. 91-671). Additional changes in the 2008 Food and Nutrition Act mandated that in all states, non-exempt participants must:

- Register for work;
- Accept a suitable job if offered one; and
- Not voluntarily quit a job without good cause or reduce work effort below 30 hours per week.

Certain participants (who constitute a large share of SNAP participants) are exempt from these requirements because they are physically or mentally unfit for work; under age 16; over age 59; between 16 and 18 and not the head of household and attending school; and for various other reasons. It is also important to note that the general work requirements are a requirement to register for work, not a minimum for hours worked.

The welfare reforms of 1996 also added the **time limit for ABAWDs** who are not working and not otherwise exempted. Adults aged 18-49 who are not physically or mentally unfit for work or caring for a minor child are now ineligible for SNAP if they have received three months of SNAP benefits during the previous 36 months, unless the participant:

- Works at least 20 hours per week;
- Participates in an E&T program for at least 20 hours per week; or
- Participates in a state's "workfare" program.

[67] Dr. Ron Haskins, Senior Fellow, Brookings Institution. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Breaking the Cycle*. October 27, 2015. Washington, D.C.

The welfare reforms of 1996 allowed states to request a temporary waiver from USDA—typically for up to 12 months—for the ABAWD time limit in all or parts of the state when unemployment is high or there are not enough jobs available. After the 2008 economic crisis, a majority of states operated under the statewide ABAWD time limit waivers. As the economy recovered, fewer states were eligible to extend their statewide waivers beyond January 2015. As of October 1, 2016, there were 16 states without ABAWD waivers, 26 states approved for partial waivers, and 11 states with waivers for the entire state or territory.

All states are also granted an exemption to be administered at the state's discretion, allowing them to continue to provide SNAP benefits for up to 15 percent of recipients who would otherwise be made ineligible by the ABAWD time limit.

Finding 2a: Unemployment and underemployment are leading causes of poverty, and promoting pathways to employment is the best way to help individuals climb the economic ladder out of poverty and into self-sufficiency.

According to the National Commission on Hunger and others, work is a crucial factor in helping low-income individuals lift themselves out of poverty.[68,69] While many families on SNAP work, there are a large number of households that do not report earned income, which is income that a person receives for doing work (such as salaries, wages, tips, etc.). According to the most recent USDA *SNAP Characteristics Report*, 68 percent of total SNAP households reported no earned income. When looking at the SNAP households that one might expect to generate an earned income (e.g., households that do not contain children, disabled, or the elderly), only 20.6 percent of these households reported earned income.[70]

It comes as no surprise that employment is highly correlated with income. In 2014, according to the U.S. Census Bureau, only 2.7 percent of full-time workers lived below the Federal poverty level, compared with 32.3 percent of adults who do not work. Even part-time work makes a significant difference, with only 17.5 percent of part-time workers living below the poverty level.[71]

During the hearing *The Means to Climbing the Economic Ladder*, Members heard testimony from organizations that work within local communities to provide job training to low-income individuals. Recipients come from a range of situations that require various levels of job training to prepare for a successful job. Without a strong foundation in work skills, individuals may need more assistance in gaining and maintaining a job. WeCare, a job training program located in New York City, grouped SNAP recipients in four categories: (1) fully employable, where no accommodations were needed; (2) employable, with accommodations; (3) temporarily unemployable, which is also referred to as needing wellness or condition

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[68] *Id.*, n. 67.
[69] National Commission on Hunger. *Freedom from Hunger: An Achievable Goal for the United States of America.* 2015.
[70] *Id.*, n. 15.
[71] U.S. Census Bureau. *Income, Poverty, and Health Insurance Coverage in the United States: 2012.* http://www.census.gov/prod/2013pubs/p60-245.pdf.

> **It is not just about giving people food. It is about worker training. It is about getting people in the community back on their feet.**
>
> **-Rep. Jim McGovern (MA-2), Nutrition Subcommittee Ranking Member**

management; or (4) possible Federal disability benefits.[72] "It is not just about giving people food. It is about worker training. It is about getting people in the community back on their feet," Subcommittee Ranking Member Jim McGovern stated.[73] The ability of the Federal Government to account for these special circumstances is limited; therefore, it is crucial that state and local partners are invested.

Finding 2b: Better enforcement of work requirements is needed in some states, and enforcement needs to be coupled with more effective SNAP employment and training (E&T) programs.

The importance of work has always been recognized, but not necessarily emphasized, as noted by David Stillman with the Washington Department of Social and Health Services. According to Stillman, "While [SNAP] has had a requirement to include an [E&T] component since 1998, most states' programs have consisted of a referral to a job search program."[74] SNAP E&T programs assist in providing job training and job readiness to SNAP recipients. USDA's FNS gives each state funds and a set of requirements to implement their E&T programs. States decide which department will run their programs (e.g., Health and Human Services, Workforce Commission, etc.) and whether or not they work in tandem with other work-support programs in the state (e.g., TANF, Workforce Innovation and Opportunity Act Programs). Each state is required by law to operate a SNAP E&T program, though they have considerable flexibility in the design and scope of their programs. States must submit annual state E&T plans identifying, among other things, the services the state plans to offer; the categories and types of individuals the state intends to exempt from E&T participation; characteristics of the population the state agency intends to place in E&T; and the geographic areas covered and not covered by the E&T plan. Services offered must include one or more of the following components:

- Job search activities;
- Job search training, including skills assessments, job finding clubs, training in employability techniques, and job placement services;
- Workfare programs;
- Programs designed to improve the employability of eligible individuals through actual work experience, training, or both;

[72] Grant Collins, Senior Vice President, Fedcap Rehabilitation Services, Inc. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

[73] James P. McGovern, Ranking Member of the Subcommittee on Nutrition. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The World of Nutrition and the Role of the Charitable Sector*. April 15, 2015. Washington, D.C.

[74] David Stillman, Assistant Secretary, Economic Services Administration, Washington State Department of Social and Health Services. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Improving Innovation and Success in Employment and Training Programs*. September 13, 2016. Washington, D.C.

- Educational programs to improve basic skills and literacy;
- Programs designed to increase an individual's self-sufficiency through self-employment;
- Programs to provide job retention service for up to 90 days following employment; or
- Other employment, educational, or training programs approved by the Secretary of Agriculture or the state.

States also have the flexibility to determine what type of participation to require under the program—either mandatory or voluntary participation. States can also choose to work with local nonprofits. State E&T programs are generally operated on a county-by-county basis and offer different services to different SNAP recipients based on where they live. In most cases, especially in rural counties, recipients get basic assistance in the form of being provided a computer for job searches. Seattle Jobs Initiative, an innovator in the employment training space, has partnered up with FNS to provide best practices to programs across the country to assist in providing better services.

The 2014 Farm Bill enjoyed bipartisan support in focusing on the importance of work via SNAP E&T Pilots. The grants to implement these pilots were awarded to ten states to focus their efforts on different community needs and implementation methods, including focusing on both urban and rural settings, comparing voluntary versus mandatory participation, and evaluating whether job readiness training versus on-the-job training better prepares recipients for work. While the pilots are a few years away from having tangible metrics, they are still able to provide initial best practices in improving recipients' job skills and job entry. Pete Weber with the Fresno Bridge Academy cited research from the Center on Budget and Policy Priorities on common characteristics across effective E&T programs. They found that the most effective programs include providing education or remediation to allow individuals with low education levels to access industry-specific training programs; individualized, hands-on work to build life skills; and provision of supportive services (transportation and flexible funds to help purchase items to help individuals work or look for work).[75]

If the Federal Government is going to help enable recipients to climb the economic ladder, first there must be a better understanding of what is happening at the local level and what can be improved upon. As stated earlier in this section, there is concern that general work requirements are not adequately enforced. States must engage in greater oversight of the enforcement of the general work requirements to ensure those who can work do. At the Federal level, the way states enforce the work requirements must be taken into account to ensure that this can be done with administrative ease.

Successful E&T programs paired with work requirements promote the importance of work and help maintain program integrity. "There is little evidence that harsh provisions are necessary to encourage able-bodied adults to work. Reasonable requirements, strongly enforced, and accompanied by the carrots for work provided

[75] Pete Weber, Founder, Fresno Bridge Academy. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Improving Innovation and Success in Employment and Training Programs*. September 13, 2016. Washington, D.C.

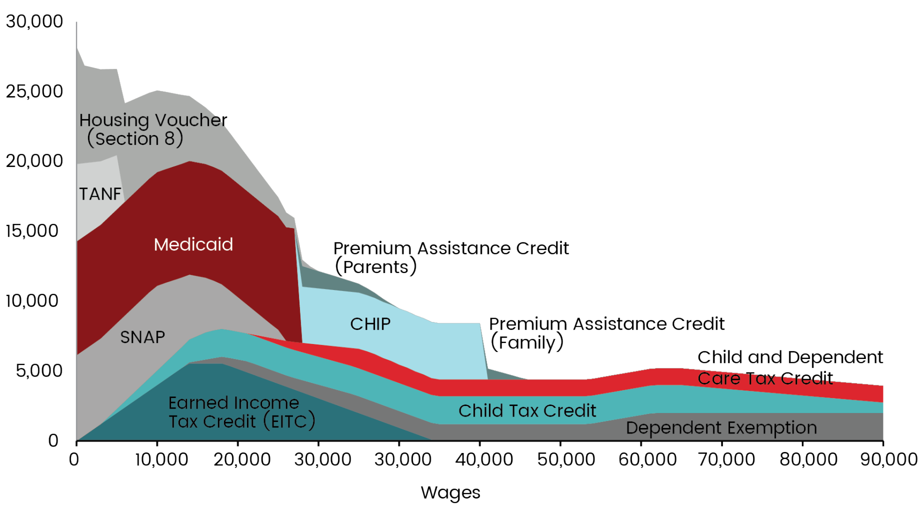
by the work support system, may well be enough to encourage adults to work," stated Dr. Ron Haskins with the Brookings Institution. Those that can work should work, and they need to be provided with the tools to aid in their upward economic mobility. This "builds the participants' confidence in their own natural ability and self-worth."[76,77]

Finding 2c: Combined with other welfare programs, SNAP recipients may face a "welfare cliff" when they are just above the income eligibility level, which can create disincentives to finding work or increasing earnings.

SNAP does not operate in a vacuum. The recipients of one Federal program are often the recipients of multiple Federal programs. During a joint hearing on the welfare cliff, then-Chairman of the House Ways and Means Committee Paul Ryan pointed out that, "right now we have a safety net that is designed to catch people falling into poverty. What we need is a safety net to lift people out of poverty."[78] According to the most recent *SNAP Characteristics Report*, 20 percent of SNAP recipients receive SSI, 24 percent receive some form of Social Security benefits, 9 percent receive child support enforcement payments, 7 percent receive support from TANF, and 4 percent receive UI. A recipient just below the income threshold of certain programs may see a significant decrease in the amount of assistance they receive when they obtain employment that provides earned income over a certain threshold, leading to what is known as the "welfare cliff." This phenomenon is highlighted in the figure below.

> **"right now we have a safety net that is designed to catch people falling into poverty. What we need is a safety net to lift people out of poverty."**
>
> **-Rep. Paul Ryan (WI-1), former Ways and Means Chairman**

Tax and Transfer Benefits for Universally Available and Additional Programs



Note: This scenario applies to single adults with two children.

Source: Dr. Eugene Steuerle, Senior Fellow, Urban Institute. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder.* June 10, 2015. Washington, D.C.

[76] *Id.*, n. 67.
[77] Leon Samuels, Executive Director, Strive DC. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.
[78] Paul Ryan, Chairman of the House Committee on Ways and Means. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

Individuals may be forced to decide whether to reduce the number of hours worked and gain more government benefits, or work and lose said benefits but have less monthly income than if the recipient was to forgo working. In discussing the welfare cliff, Dr. Casey Mulligan of the University of Chicago highlighted two reasons government tax and spending rules reduce the reward for work. First, there are income contingencies that occur—if a household receives more income from work, it receives fewer benefits. Second, there are employment contingencies—the more employment a household has, the more its taxes and benefit amounts are impacted even if its income is the same.[79]

Chanel McCorkle, a SNAP recipient, described her experience with the welfare cliff: "After I lost my job I applied for Temporary Cash Assistance through the Department of Social Services. Thirty days after I applied I was granted cash assistance, and immediately received daycare vouchers and an increase in food stamp assistance. The daycare vouchers I so desperately needed while I was working were finally granted to me after it cost me my job."[80]

The answer to fully addressing the welfare cliff does not wholly rely on SNAP; instead it relies on coordination across committees and welfare programs to ensure they reduce poverty and hunger while encouraging work that leads to greater economic success. Erik Randolph with the Illinois Policy Institute described the welfare cliff by providing the following example: "A single parent in Lake County, Illinois, who earns $12 per hour brings home just over $22,000 in net pay. However, that same single parent is eligible for an array of welfare benefits as follows:

- Refundable tax credits from the Earned Income Tax Credit, the Additional Child Tax Credit, and the Illinois Earned Income Tax Credit;
- Food assistance, including SNAP, food packages from WIC, and the National School Lunch Program;
- Housing assistance from the Housing Choice Voucher Program;
- Subsidized child care services; and
- Medical assistance for both the parent and her children."

Randolph continued, "When you add up the value of those potential benefits, it comes to an astounding $39,534, bringing the total net receivables in terms of earned income and benefits to $61,655. In comparison, suppose you earn $18 per hour, bringing home about $33,000 in net pay. That is a gain of about $11,000 in earned income. However, your potential welfare benefits will drop drastically to $5,236 from $39,534, for a loss of more than $34,000. Why would any sane person voluntarily give up $34,000 in benefits to gain only $11,000?"[81]

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[79] Dr. Casey Mulligan, Professor, Department of Economics, University of Chicago. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

[80] Chanel McCorkle, Candidate, America Works of Maryland. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

[81] Erik Randolph, Senior Fellow, Illinois Policy Institute. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

Findings Theme 3: Maintaining Program Integrity

Program integrity within SNAP is critical for both the functioning and long-term sustainability of the program. Jessica Shahin of USDA FNS emphasized this in her testimony at the *Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity* hearing: "As vital as the program is to so many, and as well as it operates, we can all agree that it can do even better, and it is up to all of us, the Federal Government, the states, and the local providers to work together to improve it by holding ourselves accountable. FNS is committed to continually improving the integrity of SNAP. FNS has long recognized that SNAP cannot succeed without strong public confidence, so good stewardship of tax dollars is one of our most important objectives."[82]

> **"FNS has long recognized that SNAP cannot succeed without strong public confidence, so good stewardship of tax dollars is one of our most important objectives."**
>
> **-Jessica Shahin, USDA FNS**

At the same hearing, Dave Yost, Auditor of State in Ohio, discussed the public perception and impact of food stamp fraud: "Food stamp fraud hardens the hearts of good people and deafens their ears to the sound of hunger. Every dollar wasted or fraudulently spent is a dollar that could be used for its intended purpose: to feed the poor. For those who hunger, and for those who pay the bill, we owe a greater effort toward integrity."[83]

> **"Food stamp fraud hardens the hearts of good people and deafens their ears to the sound of hunger. Every dollar wasted or fraudulently spent is a dollar that could be used for its intended purpose: to feed the poor. For those who hunger, and for those who pay the bill, we owe a greater effort toward integrity."**
>
> **-Dave Yost, Auditor of State in Ohio**

Both of these witnesses highlighted how critical it is to seek constant and continuous improvement in SNAP. They also pointed out how important it is to understand any issues or problems that arise with payments and to ensure that sufficient steps are taken to address and prevent future issues.

[82] Jessica Shahin, USDA FNS, SNAP Associate Administrator. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Breaking the Cycle*. October 31, 2016. Washington, D.C.
[83] Dave Yost, Auditor of State, State of Ohio. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Breaking the Cycle*. October 31, 2016. Washington, D.C.

In any discussion of program integrity, it is important that terms be carefully defined. In the context of SNAP:

- **Improper payments**, or **"SNAP errors"**, are under or overpayment of benefits due to:
    - o Unintentional administrative errors in eligibility or benefit determination; and
    - o Misrepresentation of eligibility;
- **Fraud** is the intentional misuse of SNAP benefits. It includes:
    - o Benefits trafficking, which is the exchange of SNAP benefits for cash or noncash goods or services (other than eligible food) by recipients and/or retailers;
    - o Misrepresentation of eligibility resulting in benefits being improperly awarded to recipients; and
    - o Misrepresentation of information by businesses or individuals when applying to become a SNAP authorized retailer.

As made clear by these descriptions, there is overlap between the components of fraud and improper payments, and addressing program integrity is a challenging and complicated issue. Clarity in what is being measured and how those metrics can be used to ensure benefits reach intended recipients are critical considerations in the structure of the program.

Finding 3a: SNAP needs clear program goals and must be evaluated according to metrics aligned with those goals to generate program improvement.

The Food and Nutrition Act of 2008, as amended, lays out Congressional intent for SNAP:

> "It is hereby declared to be the policy of Congress, in order to promote the general welfare, to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households. Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of the Nation's agricultural abundance and will strengthen the Nation's agricultural economy, as well as result in more orderly marketing and distribution of foods. To alleviate such hunger and malnutrition, a supplemental nutrition assistance program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation."[84]

[84] *Food and Nutrition Act of 2008* as Amended, Declaration of Policy, Section 2.

Throughout the hearing series, witnesses emphasized that SNAP does not simply provide nutrition to low-income recipients. It also provides nutrition education, better access to fresh fruits and vegetables, valuable employment and training opportunities, and coordination with other welfare programs. Monitoring the progress on all of these objectives is a major challenge, and witnesses documented the need for targeted program metrics and evaluations.

SNAP program performance is currently evaluated in a number of ways. Some of those evaluations provide the characteristics of SNAP recipient households, including household composition; presence of children, elderly, or disabled persons; gross and net income; and other characteristics.[85] Other evaluations provide information on the over 250,000 retailers who participate in SNAP and on FNS's monitoring and evaluation of retailers. USDA publishes a report of compliance activity for retailers, reflecting sanctions (including disqualifications) and other compliance actions. In FY 2015, USDA flagged over 17,900 stores for potential violations and initiated over 3,700 compliance actions on authorized firms found in violation of SNAP regulations.[86]

In another method of program monitoring and evaluation, states and FNS have quality control (QC) procedures in place to review household eligibility determinations. States review a sample of their SNAP cases, and FNS subsequently verifies a sub-sample of those cases. The results of this review are used to calculate state error rates, and the state error rates are averaged (weighted) to estimate the national error rate. Much of the information on SNAP performance is collected at the state level because the states are responsible for making SNAP eligibility determinations.

The design and structure of programs can also be critical in ensuring they are able to be monitored and evaluated adequately. For example, the 2014 Farm Bill funded 10 pilot projects designed to reduce dependency and increase work, all of which are required to have a "control group" that does not participate in the program, in order to be able to measure whether the pilots achieve their desired outcomes.

One area of SNAP that differs from the program evaluation methods of other means-tested programs is that SNAP includes bonuses tied to error rates. USDA provides states with financial bonuses and imposes sanctions to reduce or maintain low error rates. In general, $24 million is allocated among states with the best payment accuracy and most improved payment accuracy.[87]

There are differences of opinion regarding state bonuses and the basis on which they should be

"The Federal Government could greatly accelerate evidence building within SNAP by creating strong incentives for states to use their existing funds to rigorously test new employment/training strategies."

-Jon Baron, Laura & John Arnold Foundation

[85] *Id.*, n. 15.
[86] USDA FNS. *SNAP Retailer Management FY 2015 Year End Summary*. http://www.fns.usda.gov/snap-retailer-data.
[87] Kay Brown, Director, Education, Workforce, and Income Security, U.S. Government Accountability Office. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity*. July 6, 2016. Washington, D.C.

awarded. Some believe these bonuses serve as an important incentive to states to focus on particular areas of SNAP success. For example, as Jon Baron at the Laura and John Arnold Foundation noted, “The Federal Government could greatly accelerate evidence building within SNAP by creating strong incentives for states to use their existing funds to rigorously test new employment/training strategies.”[88]

However, there is also concern about whether the reporting and evaluation that are done are adequate to measure the intended outcomes of the program. This is critical for determining whether SNAP is successful or not, and in what ways the program can be improved. As pointed out by Dr. James Sullivan of the University of Notre Dame: “By steering resources towards the most effective social programs, evidence of what works and what doesn’t can significantly improve the lives of the poor.”[89] He further states, “By guiding funds away from ineffective programs, high quality impact evaluations allow us to do more good with the limited resources available.”

Witnesses who testified at the hearings on reporting and evaluation suggested that using evidence to guide policy can generate positive outcomes. This requires actions such as incentivizing innovation and measurement of program effectiveness. Measurement of effectiveness is highly dependent on data available, and the decentralized nature of SNAP administration has long hampered data collection efforts.

The importance of adequate reporting metrics is readily apparent in efforts to track and prevent churn. Churn occurs when “SNAP households rapidly cycl[e] on and off the program, usually due to lapses through the recertification process.”[90] Churn imposes costs both to participants and to agencies administering the program. For agencies, churn increases costs by requiring agencies to process additional applications from households reentering the program. For participants, costs include the loss of benefits that they otherwise would have received, the administrative burdens of the reapplication process, and other burdens related to coping during the period without benefits.

Data and research are conflicting regarding how long SNAP participants are on the program. Stephen Tordella of Decision Demographics testified on a recent study of SNAP participation dynamics his organization conducted. Based on their findings, SNAP spells (or continuous time on the program) have gotten longer over the past decade: half of those who entered the program between 2008 to 2012 (“new entrants”) exited within 12 months, compared to 10 months during the mid-2000s and 8 months in the early 2000s. SNAP spell lengths were shorter for individuals in families without children and for ABAWDs. Spell lengths were longer for new entrants living in poverty, those in single-parent families, nonelderly disabled adults, and children.

[88] Jon Baron, Vice-President for Evidence-Based Policy, Laura and John Arnold Foundation. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Developing and Using Evidence-Based Solutions*. July 15, 2015. Washington, D.C.

[89] Dr. James Sullivan, Rev. Thomas J. McDonagh, C.S.C., Associate Professor of Economics, University of Notre Dame and Director, Wilson Sheehan Lab for Economic Opportunities. Hearing of the House of Representatives Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Developing and Using Evidence-Based Solutions*. July 15, 2015. Washington, D.C.

[90] Gregory Mills, Senior Fellow, Urban Institute. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Recipient Characteristics and Dynamics*. February 26, 2015. Washington, D.C.

Overall, however, most entrants left the program within 2 years.[91] Understanding why a recipient is moving on and off the program is of benefit to the recipient and could lower administrative costs. Adequate reporting and evaluation metrics can get at the root of the issues recipients face and allow states to best know what individuals are facing.

Finding 3b: SNAP fraud rates can be improved through innovative state and Federal strategies and technologies.

Fraud rates are one of several important indicators of SNAP program integrity. Fraud is especially malicious because it is intentional. SNAP recipient fraud can occur when applicants make misleading or false claims to obtain benefits or when applicants misuse benefits by trading them for cash or noncash goods or services (this particular type of fraud is known as "trafficking"). Examples of trafficking include the illegal sale of SNAP benefits for cash and sales of SNAP benefits for ineligible items. For example, from 2009 to 2011, trafficking of SNAP benefits for cash at a discount to food retailers diverted an estimated $858 million annually from SNAP benefits, and overall, approximately 1.3 percent of total SNAP benefits were trafficked via retailers.[92]

While these numbers are alarming, a September 2012 USDA Office of Inspector General (OIG) report found that the exact amount of recipient fraud is difficult to estimate accurately and recommended that FNS determine the feasibility of creating a uniform methodology to calculate recipient fraud in the same way across states. FNS ultimately determined that to do so would require legislative authority mandating significant state investment of time and resources in addressing fraud beyond current requirements.[93]

Responsibility for addressing SNAP fraud falls on both FNS and states. At the Federal level, FNS is responsible for managing retailer fraud. SNAP retailers are approved nationally, and any fraud they commit could have implications across state borders. At the state level, individual state or local agencies that administer SNAP are responsible for detecting, investigating, and prosecuting fraud committed by recipients. FNS retains responsibility for providing guidance and monitoring state activities.

Strategies for addressing fraud are wide-ranging and include: cross-referencing across state databases to identify duplication, monitoring transactions that are for an even dollar amount, conducting undercover investigations, and using an electronic audit trail of EBT transactions to identify trafficking. GAO's hearing testimony also pointed out that many states employ fraud reporting hotlines and websites, and that many states do extensive review of school enrollment, vehicle registration, vital statistics, and credit reports to detect potential fraud. However, the depth of this analysis varied considerably and at the time of GAO's report, for example, Florida was routinely reviewing EBT transactions data for suspicious

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[91] Stephen Tordella, President, Decision Demographics. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Recipient Characteristics and Dynamics*. February 26, 2015. Washington, D.C.

[92] USDA FNS. Nutrition Assistance Program Report. *The Extent of Trafficking in the Supplemental Nutrition Assistance Program: 2009-2011*. August 2013. http://www.fns.usda.gov/sites/default/files/Trafficking2009.pdf.

[93] *Id.*, n. 87.

patterns, while Texas was only reviewing transactions for households that had been referred for potential fraud. Some states, but not all, monitored postings on social media and e-commerce sites to monitor for individuals selling SNAP benefits. States have reported limitations on their ability to track fraud due to inadequate staffing levels.[94]

At the Federal level, FNS has over 100 analysts who analyze retailer data, conduct undercover investigations, and process cases against violating retailers. The Federal Government also collects delinquent SNAP recipient claims via the Treasury Offset Program; these claims could be because of intentional program violations by the client, inadvertent household error, or a state agency error.[95]

Reducing or eliminating SNAP fraud is critical to program integrity and continuing to provide benefits to eligible individuals and households. Although fraud is an ongoing concern, efforts to address it are also ongoing.

Finding 3c: SNAP error rates are only as good as the program parameters on which they are based.

The SNAP error rate is an often-cited parameter of SNAP program integrity. USDA's SNAP payment error rate is determined via the SNAP Quality Control System, which measures the accuracy of eligibility and benefit determinations made by states. The SNAP payment error rate is the sum of overpayments and underpayments, but notably excludes errors of less than $37 per month.[96] As of FY 2014, the SNAP national payment error rate was 3.66 percent, which reflected a combined rate of 2.96 percent overpayments and 0.69 percent underpayments.[97] Using the $69.99 billion in total payments in FY 2014, overpayments of 2.96 percent were equal to just over $2.07 billion. There has been a long-term downward trend in SNAP error rates calculated as a percent of benefits, but it is important to note that these have come as the value of benefits from the program have been increasing, and the dollar value of overpayment of benefits was on a general uptrend through FY 2011.[98] Regardless of the improvements in SNAP error rates, taxpayer dollars must be used and protected appropriately, since even low error rates represent significant taxpayer cost.

While fraud is clear cut in that it requires malicious intent, SNAP administrative errors are considered unintentional. Although they are unintentional, error rates vary substantially based on program design. Using the policy options provided in SNAP statute, states have the option of implementing an option called "simplified reporting," which requires households to report changes in income only when their income rises above a certain level. Simplified reporting may lower error rates because it reduces the frequency of required reports. States that do not utilize this option require households to report their earnings more frequently. This option is discussed at length later in the report.

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94 *Id.*, n. 87.
95 USDA FNS. *What is FNS Doing to Fight SNAP Fraud*. http://www.fns.usda.gov/fraud/what-fns-doing-fight-snap-fraud.
96 *Agricultural Act of 2014,* Section 4019. Note that the $37/month is adjusted annually at the rate of changes in the value of the Thrifty Food Plan.
97 USDA FNS. *Supplemental Nutrition Assistance Program (SNAP): Quality Control*. http://www.fns.usda.gov/snap/quality-control.
98 USDA FNS. *SNAP Quality Control Error Rates*. http://www.fns.usda.gov/snap/snap-quality-control-error-rates.

In another example of the potential for variation in error rates, the use of BBCE in determining eligibility for SNAP means that there are fewer steps required in an agency determination of household eligibility. By linking SNAP eligibility to receiving noncash services provided by TANF, the state effectively removes or increases SNAP asset limits, increases the SNAP gross income limit, and removes the SNAP net income limit (because they are using the TANF noncash asset and income limits instead). According to GAO, "state flexibilities that simplified program policies or procedures may therefore have contributed to decreases in the SNAP improper payment rate, though the rate was likely affected by additional factors as well, such as changes in the number of SNAP applicants and state staffing levels." In other words, if fewer hurdles are required to determine SNAP eligibility, there are fewer opportunities for making errors. Reducing the error rate may not necessarily be a good thing if it comes at the expense of robust eligibility requirements. Of 33 state options GAO reviewed, 17 likely reduced the potential for error. In some cases, potential to reduce the error rate was also a key factor in a state's decision to adopt certain policies.[99]

Another concern with SNAP error rates was highlighted in the USDA OIG's review of the QC process to determine whether there are sufficient controls in place to ensure the integrity of SNAP error rate determinations. After reviewing national, regional, and state level procedures, OIG found that states "weakened the QC process by using third-party consultants and error review committees to mitigate individual QC-identified errors, rather than improving eligibility determinations" and that error cases were also treated non-uniformly. They also found that "FNS' two-tier QC process is vulnerable to state abuse due to conflicting interests between (1) accurately reporting true error rates and incurring penalties or (2) mitigating errors and receiving a bonus for exceeding standards." Further, OIG concluded that "FNS' QC process understated SNAP's error rate." OIG recommended that FNS consider changing QC from a two-tier process to a one-tier process in which FNS or a third party reviews the cases.[100] These concerns are of particular importance because states are also eligible to receive high-performance bonuses based on their error rates. This can create perverse incentives for states to seek ways to hide errors rather than seek actual program improvement.

In response to OIG's findings, USDA FNS has undertaken an extensive review of the QC process, including issuing strong guidance to states on the integrity of the SNAP Quality Control system. States were provided directives on preventing bias, on misusing error review committees and third party systems, and on their responsibilities for addressing improper payments.[101] USDA's review process revealed data quality concerns in 42 states for FY 2015. USDA has indicated it will not be releasing national error rates for FY 2015. However, in November 2016, USDA released the error rates for 11 states where QC data can be validated. In accordance with Federal policy, 10 of those states will receive payment accuracy bonus awards.

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[99] *Id.*, n. 87.

[100] USDA Office of Inspector General. *FNS Quality Control Process for SNAP Error Rate*. September 2015. Audit Report 27601-0002-41.

[101] USDA FNS. *Integrity of the SNAP Quality Control System*. Quality Control Policy Memo: 16-02. Jan. 20, 2016.

The presence of state flexibilities and concerns with the QC system show that there are ways that states can significantly lower error rates without necessarily improving program integrity. Thus, SNAP error rates must be considered in the context of any changes in program design and state options for implementing SNAP. Perhaps more importantly, additional consideration is needed in whether performance bonuses based on SNAP error rates are warranted, given subjective program design and implementation.

Finding 3d: State flexibility in administering SNAP should not jeopardize program integrity.

Some state flexibility within SNAP is critical to better targeting benefits to those in need, for streamlining program administration, and for coordinating with other programs. However, the discussion of SNAP error and fraud, as well as the extensive needs of some SNAP beneficiaries, indicates that flexibility and accountability must be in balance. As described in extensive detail earlier, states have a long list of options they can take at their discretion as well as the ability to apply to FNS for waivers from many SNAP program requirements. State options can be difficult to track because they are implemented at the option of the state and are typically reported to FNS primarily via an annual state plan submission.

Further, after reviewing 33 state options, GAO concluded that the majority of state SNAP policy flexibilities likely reduced payment errors. Of the 17 that potentially reduced the likelihood of payment errors, 11 simplified the SNAP program requirements (generally reducing opportunities for participants and caseworkers to make errors) and 6 modified the procedures for receiving and processing information. One of the most commonly used options relates to recipient reporting frequency.[102]

Recipient Reporting Frequency

SNAP implementing agencies are granted flexibility in determining the requirements for recipients to report changes in income (or other key household changes). However, flexibility in reporting comes with a tradeoff in the timeliness of the information the state agency has on recipients.

A perfect example of this tradeoff can be seen in reporting requirements for the elderly or disabled. Households in which all members are elderly or disabled have a certification period of up to 24 months with a 12-month periodic reporting requirement.[103] This reduces the burden on the household and on the state agency for handling reporting; however, a year could pass with no update in household status, in which time the household composition could change.

State agencies have the option of requiring SNAP recipients to report household circumstances at various intervals and in various ways. State agencies can use different reporting systems for different types of households, or different geographical areas, but each household is subject to only one reporting system:

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[102] *Id.*, n. 87.
[103] *Food and Nutrition Act of 2008*. Section 3(f).

- For **change reporting**, recipients may be required to report changes periodically or within a certain time, typically within 10 days, after certain changes in circumstances occur.
- Under **periodic reporting**, participants report either monthly, quarterly, or using a simplified system with reduced reporting requirements. Under **simplified reporting**, households are required to report changes in income between certification and scheduled reporting periods when total countable income rises above 130 percent of the poverty level or when work hours for ABAWDs fall below 20 hours per week. State agencies have the option to act on all changes reported during the certification period, or to act only on certain changes that result in an increase in household benefits. States that have chosen to act on all changes must act to verify any changes reported and take appropriate action, even if this change reduces the client's benefit. This option allows states that have combined SNAP/TANF programs to more seamlessly integrate the two. It avoids a situation where the TANF program has acted on a change, but SNAP has not, and it decreases caseworker burden by aligning the programs.

Households certified for SNAP for longer than 6 months must submit a periodic report at least once every 6 months, but no more than once every 4 months, during the certification period. Some sta,te agencies have opted to certify simplified reporting households for 12 months, with a periodic report at 6 months. Others have opted to certify these households for 6 months.[104]

The net result of the state option for simplified reporting, and other state options such as BBCE, is that states can generate reductions in their state error rate without necessarily increasing the likelihood that the program serves those most in need.

Beyond reporting requirements and other state flexibilities, there is also an important systematic role that FNS plays in SNAP program consistency and oversight. Important efficiencies are gained by retaining some roles in program administration at the Federal level. Because SNAP retailers, transactions, and recipients can all reach across state lines, a unified approach to management of these portions of SNAP and oversight of implementation are all critical in program integrity.

Unfortunately, there are significant examples of when states fell short in their responsibility to protect SNAP program integrity. As was mentioned at several of the hearings, a USDA review of New Mexico's Human Services Department and its implementation of SNAP found severe compliance issues with SNAP administration, primarily with recipient certification, improperly slowing the application process, and improperly paying benefits.

A balance must be struck between enhancing program integrity and ensuring "that the administration of benefit programs does not impose additional burdens on working families."[105] Requiring an individual to take off work and stand in a long

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[104] *Id.*, n. 36.
[105] Dr. Olivia Golden, Executive Director, Center for Law and Social Policy. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

line to see a caseworker, for instance, creates an undue burden on the recipient. Addressing the administrative burden of reporting requirements while utilizing data sharing among and within states could ease administrative burdens while improving program integrity.

Finding 3e: Data availability—with robust privacy protections—is a key concern in ensuring SNAP is functioning as intended.

Because SNAP is state (and in some cases, county) administered, program data and eligibility determinations are managed at the state agency level. The Committee's review of SNAP points to room for improvement in how data is collected among state and county agencies and FNS. Currently, data modeling is used to augment actual data. For example, Karen Cunnyngham of Mathematica highlighted the use of this approach to "compare poverty, SNAP eligibility, and SNAP participation across states."[106]

At the request of Chairman Conaway, GAO recently reported on practices that can enhance the utilization of data by states.[107] States are required by law and regulation to determine eligibility for SNAP. Verification of that information, and in particular, verification of income information of potential SNAP beneficiaries, is a critical challenge for states and is a data-intensive process, as noted by GAO: "One financial criterion for SNAP eligibility and benefit amount involves household income, which can come from various sources, including earned income, such as wages and salaries, and unearned income, such as payments from other government programs."[108]

Agencies at the state and county level that administer SNAP simplify this process with data matching to (1) obtain information on households' income, (2) verify information provided on income, and (3) identify discrepancies. Data matching can also inform agencies on changes in income for interim checks and recertification of recipients.

A survey of all states shows that they conduct multiple data matches for income. In total, 16 types of state data matches were reported. Examples of data sources used by states for data matching include:[109]

- Old Age, Survivors, and Disability Insurance (OASDI) income information can be obtained from multiple data matches with the Social Security Administration (SSA) and is used by 51 of 53 state agencies.

- SSI information comes from several direct data matches with SSA and is used by 51 of 53 state agencies.

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[106] Karen Cunnyngham, Senior Researcher, Mathematica Policy Research. Hearing of the House of Representatives, Committee on Agriculture, Subcommittee on Nutrition. *Past, Present, and Future of SNAP: Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity.* February 26, 2015. Washington, D.C.
[107] U.S. Government Accountability Office. Report to the Chairman, Committee on Agriculture, House of Representatives. *Supplemental Nutrition Assistance Program: More Information on Promising Practices Could Enhance States' Use of Data Matching for Eligibility.* GAO-17-111. October 2016.
[108] *Ibid.*
[109] *Ibid.*

- The Work Number® is a commercial verification service operated by Equifax Inc. that provides payroll information from participating employers for a fee and is used by 45 of 53 state agencies.
- Public Assistance Reporting Information System (PARIS) Interstate file from the Department of Health and Human Services (HHS) provides information on individuals' benefit receipt in other states, but is used by 40 of 53 state agencies.

The GAO study showed that the opinion of state officials on the usefulness of each data match varied widely. For example, SSI and OASDI were overwhelming viewed as useful. In contrast, the National Directory of New Hires (NDNH) and the Beneficiary Earnings Exchange Record (BEER) were considered not at all or somewhat useful by a majority of states. Opinions about usefulness generally were derived from concerns about accuracy (and ability to verify accuracy) and timeliness of data that is being used to determine program eligibility and benefits.

States recognize the need for improving their data matching processes. Some states are targeting and streamlining their data matching activities, including prioritizing which matches need follow-up. For example, Texas, Virginia, and Washington have enabled caseworkers to look up data from multiple data systems with a single search.

SNAP is not the only Federal program that requires data on household income, and there is a particular opportunity to leverage information and systems used for TANF and Medicaid income verification. For example, the Center for Medicaid and Medicare Services (CMS) created the Federal data services hub ("the Hub") that provides a single access point to gather information for eligibility determinations for Medicaid. That includes access to data from SSA and Work Number®. Although this data is also used for SNAP, data use agreements currently in place do not allow the use of this information for SNAP eligibility determinations. This hindrance is a concern for states interviewed by GAO and is an area where additional access to data and technology could enhance program functionality and efficiency.

Robert Greenstein of the Center on Budget and Policy Priorities testified on the use of data to improve program integrity.[110] He noted that innovation that is used in states such as Utah, Washington, and Idaho, enables caseworkers to access data in real time and to process reported changes in household income. Other suggestions include helping states share tools and innovations across states via establishment or procurement of IT solutions, removal of barriers to IT adoption, or increased incentives for states to adopt well-regarded options. These solutions would not only improve program integrity but also reduce the burden on SNAP recipients. As Representative Ashford pointed out, "… data collection, and then also being able to rely on data to make decisions in a coordinated way, is the most important thing we can do."[111]

[110] Robert Greenstein, President, Center on Budget and Policy Priorities. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of the Supplemental Nutrition Assistance Program*. February 25, 2015. Washington, D.C.
[111] Brad Ashford, Member of the House Committee on Agriculture. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of the Supplemental Nutrition Assistance Program*. February 25, 2015. Washington, D.C.

Findings Theme 4: Improving Food Access and Promoting Healthy Food

Limited access to supermarkets, grocery stores, and other sources of nutritious food may make it more difficult for many Americans to consume a healthy diet. This is a particular concern for SNAP, with Federal spending intended to provide nutrition to millions of Americans. Hearing witnesses indicated that recipients would benefit from improved access to healthy food.

Areas with limited access to fresh food are oftentimes called "food deserts." According to USDA, to qualify as a low-access community, at least 500 people and/or at least 33 percent of the Census tract's population must reside more than one mile from a supermarket or large grocery store; for rural areas the distance is more than ten miles. This becomes an issue when the easiest store to get to primarily provides packaged and processed food. SNAP recipients may find the convenience of a local market is greater than the cost and time it takes to travel farther to a supermarket. High-calorie foods with minimal nutritional value can often be a staple for families with limited resources.

As Dr. James Ziliak of the University of Kentucky noted, "Many of our low-income families, especially in urban areas, don't have ready access to the whole spectrum of foods that make up the Thrifty Food Plan that underlies USDA's plan for the SNAP benefit."[112] His concerns were also echoed by Dr. Kimberlydawn Wisdom of the Henry Ford Health System: "Today, SNAP recipients live in neighborhoods and communities where making healthy choices can be challenging, if not impossible, due to the lack of safe, well-equipped, and well-maintained places to work and play, and the absence of nearby full-service grocery stores and other health services. These factors contribute to the malnutrition that now coexists with overweight and obesity. Comprehensive literature reviews examining neighborhood disparities and food access have found that neighborhood residents with better access to supermarkets tend to have healthier diets and reduced risk for obesity."[113]

Finding 4a: Americans in both urban and rural communities cannot improve their diets without adequate access to healthy food.

A number of approaches have been taken to address the well-documented concerns of access to healthy food. The Committee heard from multiple witnesses about how small and local retailers help provide access to food in both urban and rural areas where large-format stores are not easily accessible.[114,115] For example, Eric Schneidewind of AARP noted that the AARP Foundation in Chicago is connecting

112 Dr. James P. Ziliak, Founding Director, Center for Poverty Research; Professor and Carol Martin Gatton Endowed Chair in Microeconomics, Department of Economics, University of Kentucky. Joint Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture and the Subcommittee on Human Resources, Committee on Ways and Means. *Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder*. June 10, 2015. Washington, D.C.

113 Dr. Kimberlydawn Wisdom, Senior Vice President, Community Health and Equity, Henry Ford Health System. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Evaluating Effectiveness and Outcomes in Nutrition Education*. June 22, 2016. Washington, D.C.

fresh food supplies to food deserts.[116] Another witness, Jimmy Wright, owner of Wright's Market, spoke about the opening of Carver Neighborhood Market in South Atlanta, an area that was previously considered a food desert. Wright has also started a shuttle service for all customers, including SNAP recipients, who are not able to reach his store in Opelika, Alabama, due to a lack of transportation. He is also now working on an online ordering and home delivery option to enable greater access to nutritious food for his customers.[117]

Other programs like those presented by Dr. Shreela Sharma of the University of Texas and Brighter Bites, combine food delivery with nutrition education. Brighter Bites is a 3-part program in low-income communities for 16 weeks during the school year and 8 weeks during the summer that (1) delivers 30 pounds of fresh produce, (2) provides nutrition education in school and for parents, and (3) gives families an opportunity to try a healthy, tasty recipe.[118] Brighter Bites has achieved promising results, with 98 percent of families increasing their fruit and vegetable consumption and cooking more at home, having more fruits and vegetables available at home during meals, and using nutrition labels to make purchasing decisions.

Allowing SNAP benefits to be utilized for online purchases is a prominent way retailers are working to bring nutritious food to both urban and rural areas that might not have had easy access before. While this is not yet a reality, the 2014 Farm Bill allowed for the implementation of five online retailing pilots. Speaking on the potential impact of the online pilots, Eric French with Amazon said, "this would open up new options for millions of SNAP recipients, while providing our existing customers who are SNAP recipients with the ability to stretch their SNAP dollars and choose the payment type that is best for them."[119] Members are watching with interest to see the impact these online pilots have on improving food access.

Technology allows organizations to create innovative ways to increase access to nutritious food and to understand what people are purchasing. This innovation includes how grocery stores and farmers' markets are using point-of-sale equipment to implement an initiative called Double Up Food Bucks in their respective models. Double Up Food Bucks is a program started by the Fair Food Network which provides an incentive for purchasing fruits and vegetables at participating grocery stores and farmers' markets. Another example is the creation of an app for use at farmers' markets that accepts all forms of tender (SNAP, WIC, Debit, Credit, etc.). The app assists in tracking what people purchase at the market, measuring "actual changes in purchasing patterns, track[ing] improvements, and figur[ing] out what

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[114] Doug Beech, Counsel, Casey's General Store. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The Retailer Perspective*. March 2, 2016. Washington, D.C.

[115] Carl Martincich, VP of Human Resources, Love's Travel Stops and Country Stores. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The Retailer Perspective*. March 2, 2016. Washington, D.C.

[116] Eric Schneidewind, President-Elect of AARP. Hearing of the House of Representatives, Subcommittee on Nutrition, Committee on Agriculture. *Past, Present, and Future of SNAP: Addressing Special Populations*. January 12, 2016. Washington, D.C.

[117] Jimmy Wright, Owner, Wright's Market. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The Retailer Perspective*. March 2, 2016. Washington, D.C.

[118] Dr. Shreela Sharma, Professor of Epidemiology at the University of Texas, Co-Founder of Brighter Bites. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Evaluating Effectiveness and Outcomes in Nutrition Education*. June 22, 2016. Washington, D.C.

[119] Eric French, Director of Grocery, Amazon. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Opportunities for Improving Access to Food*. November 16, 2016. Washington, D.C.

works to increase customers' consumption of the most nutritious foods."[120] As Gunnar Lovelace of Thrive Market pointed out, "The proliferation of technology, specifically information technology, has increased in ways that no one could have predicted. Presently, 75 percent of individuals living in poverty have a smartphone. Through their smartphone, they can now order goods and services that may have previously been out of reach to them, either geographically, or in some cases, financially."[121]

A variety of innovative approaches are appropriate and much-needed in improving access to healthy food for SNAP recipients. SNAP has an opportunity to adapt to changing consumer demographics and preferences while improving program delivery and access.

Finding 4b: Nutrition education—working in tandem with targeted incentives—can help SNAP recipients develop healthy lifestyles and healthy eating habits.

Nutrition education is often provided in conjunction with food benefits to encourage healthy eating. This is accomplished through SNAP-Ed and the Expanded Food and Nutrition Education Program (EFNEP), both authorized in the farm bill.

SNAP-Ed is an approximately $400 million program awarded via Federal grants to state agencies. The state agencies can then award grants to various organizations in the state, such as food banks, land-grant universities, or non-profits. SNAP-Ed targets low-income individuals and communities through a variety of public health approaches to improve the likelihood that persons eligible for SNAP will make healthy choices within a limited budget and choose active lifestyles consistent with the current Dietary Guidelines for Americans. The Healthy, Hunger-Free Kids Act of 2010 amended SNAP-Ed to place greater emphasis on evaluations and measuring program effectiveness. It also restructured the allocation formula to provide a more even distribution among the states. SNAP-Ed has the flexibility to work in schools, grocery stores, parks, or public gyms. SNAP-Ed offers many different forms of direct education and takes community input into consideration when developing education programs.

In contrast, EFNEP is an approximately $68 million program operated through the Cooperative Extension Service at 1862 and 1890 Land Grant Universities. EFNEP delivers direct education via peer educators in a series of interactive, hands-on lessons to improve four core areas: diet quality and physical activity; food resource management; food safety; and food security. EFNEP tends to be less flexible in how it delivers services than SNAP-Ed, but it has the capacity to reach more people than SNAP-Ed because it operates in more areas—both urban and rural—across the country.

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[120] Pamela Hess, Executive Director, Arcadia Center for Sustainable Food and Agriculture. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Opportunities for Improving Access to Food*. November 16, 2016. Washington, D.C.

[121] Gunnar Lovelace, Executive Director, Thrive Market. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Opportunities for Improving Access to Food*. November 16, 2016. Washington, D.C.

SNAP-Ed and EFNEP both have the ability to focus efforts on ensuring that low-income individuals have access to nutritious food and the knowledge of how to prepare food. SNAP-Ed programs tend to focus more heavily on younger children, while EFNEP programming focuses more on the family. Dr. Jo Britt-Rankin with the University of Missouri acknowledged the gap in home economic skills, saying, "we know that many of our young people today are almost two generations from having cooking skills."[122] Both programs work to address the climbing obesity and diabetes rates that correlate with poor eating habits. Even so, the number of individuals these programs reach is expansive and is continuing to grow as the programs become stronger and as FNS implements requirements for evaluation metrics and shares best practices. Sue Foerster with the Association of SNAP Nutrition Education pointed out that "the size of our population that we are trying to influence is 90 million people that have incomes below 185 percent of poverty. Of that, about 40 million are already SNAP participants, and [you] can see that the scope of our effort is quite large."[123]

A number of incentive approaches have also been explored in SNAP, either independently or in conjunction with nutrition education. For example, the 2014 Farm Bill began the Food Insecurity Nutrition Incentive (FINI) grants. FINI grants support projects to increase the purchase of fruits and vegetables among low-income consumers participating in SNAP by providing incentives at the point of sale. Examples of this include using loyalty cards in a grocery store to put bonus amounts into SNAP recipients' accounts.[124] In Memphis and North Tennessee, Kroger has also partnered with AARP on its FINI grant to incentivize SNAP customers to purchase more fruits and vegetables.[125] Many programs pair an incentive for healthy eating with additional education on selecting and preparing healthy food.

Food Eligibility

Discussions about incentivizing healthy purchases are often coupled with discussions about restricting the foods eligible for purchase with SNAP benefits. Currently, the Food and Nutrition Act of 2008 defines eligible food for SNAP as any food or food product for home consumption and also includes seeds and plants that produce food for consumption by SNAP households. Since the definition of food is a specific part of the Act, any change to this definition would require action by Congress.

In general, SNAP recipients can use SNAP benefits to buy any food products **except**:

- Beer, wine, liquor, cigarettes or tobacco;
- Vitamins and medicines;

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[122] Dr. Jo Britt-Rankin, Extension Committee on Organization and Policy. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Evaluating Effectiveness and Outcomes in Nutrition Education*. June 22, 2016. Washington, D.C.

[123] Susan Foerster, Founding Member, Association of SNAP Nutrition Education. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Evaluating Effectiveness and Outcomes in Nutrition Education*. June 22, 2016. Washington, D.C.

[124] Mike Beal, Chief Operating Officer, Balls Food Stores. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: Opportunities for Improving Access to Food*. November 16, 2016. Washington, D.C.

[125] Kathy Hanna, Senior Director Enterprise Payments and Store Support, The Kroger Company. Hearing of the House of Representatives, Committee on Agriculture. *Past, Present, and Future of SNAP: The Retailer Perspective*. March 2, 2016. Washington, D.C.

- Food that will be eaten in the store; and
- Hot foods.

SNAP benefits cannot be used to buy nonfood items, such as pet foods, soaps, paper products, and household supplies.

Since passage of the Food Stamp Act in 1964, Members of Congress have proposed changes to the list of eligible items on SNAP, including proposals that would make SNAP similar to the WIC program. The few waivers that have been requested from USDA were denied, and there are currently no waivers in place to allow state and/or local governments to impose restrictions.

Some argue that outright restrictions on food eligibility would cause a number of challenges, including expanding bureaucracy or burdening smaller stores without the technology to identify and track products eligible for SNAP benefits. Some also argue that restrictions would be ineffective in changing the purchasing patterns of participants since SNAP recipients are generally expected to purchase 30 percent of their monthly food with their own money and that there is no guarantee restricting the use of SNAP would affect total food purchases, other than substituting one form of payment (cash) for another (SNAP benefits).

In contrast, others contend that SNAP should assist in purchasing nutritious food. To enhance program integrity and sustainability, some have argued that Federal dollars should focus on improving the health of the recipient. They argue that restricting item eligibility—for items such as sodas or candy—provides an assurance that recipients are purchasing items that improve their overall nutrition. Some argue that limiting eligibility of some food items also gives greater assurance to the general public that tax dollars are being used to improve the food security of SNAP recipients.

USDA recently assessed the feasibility of collecting data on SNAP purchases at the point of sale and has provided a detailed summary of the food items that are being purchased. USDA concluded that item-level transaction data can currently be collected from 80 percent of all EBT redemptions from the retailers that use integrated electronic cash register (IECR) systems, but not from stores with less sophisticated systems. FNS concluded that it would need additional legal authority to require stores to collect and submit transaction level data.[126]

USDA also recently analyzed point-of-sale transaction data collected for calendar year 2011 from a leading grocery retailer "whose stores would be classified as grocery stores, supermarkets, and combination food and drug stores." USDA found many non-staple items (e.g., sweetened beverages and prepared desserts) among the top items purchased by SNAP households, as summarized in the following table.[127]

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[126] USDA FNS Nutrition Assistance Program Report. *Feasibility Study of Capturing Supplemental Nutrition Assistance Program (SNAP) Purchases at the Point of Sale*. November 2016. http://www.fns.usda.gov/snap/feasibility-study-capturing-supplemental-nutrition-assistance-program-snap-purchases-point-sale.

[127] USDA FNS Nutrition Assistance Program Report. *Foods Typically Purchased by Supplemental Nutrition Assistance Program Households*. November 2016. http://www.fns.usda.gov/snap/foods-typically-purchased-supplemental-nutrition-assistance-program-snap-households.

SNAP Household Expenditures by Summary Category

Summary Category	SNAP Household Expenditures	
	Rank	% of Expenditures
Meat, Poultry and Seafood	1	19.19%
Sweetened Beverages	2	9.25%
Vegetables	3	7.19%
Frozen Prepared Foods	4	6.92%
Prepared Desserts	5	6.90%
High Fat Dairy/Cheese	6	6.50%
Bread and Crackers	7	5.39%
Fruits	8	4.68%
Milk	9	3.54%
Salty Snacks	10	3.43%
Prepared Foods	11	3.07%
Cereal	12	2.84%
Condiments and Seasoning	13	2.65%
Fats and Oils	14	2.36%
Candy	15	2.10%

Source: USDA FNS Nutrition Assistance Program Report. *Foods Typically Purchased by Supplemental Nutrition Assistance Program Households*. November 2016. http://www.fns.usda.gov/snap/foods-typically-purchased-supplemental-nutrition-assistance-program-snap-households.

USDA's report will undoubtedly reignite the discussion on food eligibility within SNAP and ways in which SNAP can incentivize healthier eating. As noted above, incentives partnered with nutrition education can lead to healthier eating patterns in low-income individuals.

Appendix A: Hearings and Witnesses

Past, Present, and Future of SNAP

Full Committee: February 25, 2015

- Mr. Douglas Besharov, Professor, School of Public Policy, University of Maryland, College Park, MD
- Mr. Robert Greenstein, Founder and President, Center on Budget and Policy Priorities, Washington, D.C.

SNAP Recipient Characteristics and Dynamics

Subcommittee: February 26, 2015

- Ms. Karen Cunnyngham, Senior Researcher, Mathematica Policy Research, Washington, D.C.
- Dr. Gregory Mills, Senior Fellow, Urban Institute, Washington, D.C.
- Mr. Stephen Tordella, President, Decision Demographics, Washington, D.C.
- Dr. James P. Ziliak, Founding Director, Center for Poverty Research, University of Kentucky, Lexington, KY

The World of Nutrition and the Role of the Charitable Sector

Full Committee: April 15, 2015

- Ms. Kate Maehr, CEO, Greater Chicago Food Depository, Chicago, IL
- Ms. Keleigh Green-Patton, South Holland, IL
- Mr. Dustin Kunz, Salesforce Administrator and Research Project Manager, Texas Hunger Initiative, Waco, TX
- Ms. Lynda Taylor Ender, AGE Director, The Senior Source, Dallas, TX
- Mr. Jonathan Webb, Director of Foundations and Community Outreach, Feed the Children, Edmond, OK

The World of Nutrition, Government Duplication and Unmet Needs

Subcommittee: May 20, 2015

- Ms. Kay Brown, Director, Education, Workforce, and Income Security, U.S. Government Accountability Office, Washington, D.C.
- Ms. Angela Rachidi, Research Fellow, American Enterprise Institute, Washington, D.C.
- Mr. Joe Nader, Exectutive Chef, Levy Restaurants and the Detroit Lions, and volunteer chef for Share Our Strength's Cooking Matters, Detroit, MI
- Ms. Sherri Tussler, Executive Director, Hunger Task Force, Milwaukee, WI

The Means to Climbing the Economic Ladder

Full Committee: June 10, 2015

- Mr. Patrick Raglow, Executive Director, Catholic Charities of the Archdiocese of Oklahoma City, Oklahoma City, OK

- Mr. Leon Samuels, Executive Director, STRIVE DC, Washington, D.C.
- Dr. Elisabeth D. Babcock, President and CEO, Crittenton Women's Union, Boston, MA
- Mr. Grant Collins, Senior Vice President, Fedcap Rehabilitation Services, Inc., New York, NY

How Our Welfare System Can Discourage Work

Joint Nutrition (Agriculture) and Human Resources (Ways and Means) Subcommittees: June 25, 2015

- Dr. Casey Mulligan, Professor, Department of Economics, University of Chicago, Chicago IL
- Dr. Eugene Steuerle, Senior Fellow, Urban Institute, Washington, D.C.
- Dr. Olivia Golden, Executive Director, Center for Law and Social Policy, Washington, D.C.
- Ms. Chanel McCorkle, Candidate, America Works, Baltimore, MD (accompanied by Marsha Netus, Director of Operations)
- Mr. Erik Randolph, Senior Fellow, Illinois Policy Institute, Chicago, IL

Developing and Using Evidence-Based Solutions

Subcommittee: July 15, 2015

- Mr. Jon Baron, Vice President for Evidence-Based Policy, Laura and John Arnold Foundation, Washington, D.C
- Mr. Jim Weill, President, Food Research and Action Center, Washington, D.C.
- Dr. James Sullivan, the Rev. Thomas J. McDonagh, C.S.C. Associate Professor of Economics, University of Notre Dame and Founder of the Wilson Sheehan Lab for Economic Opportunity, South Bend, IN
- Mr. Jeremy Everett, Director, Texas Hunger Initiative, Waco, TX

Breaking the Cycle

Subcommittee: October 27, 2015

- Dr. Caroline Ratcliffe, Senior Fellow, The Urban Institute, Washington, D.C.
- Ms. Ruth Riley, Former WNBA Athlete and Olympic Gold Medalist, Granger, IN
- Dr. Eduardo Ochoa, Jr., Department of Pediatrics, University of Arkansas for Medical Sciences, on behalf of Children's HealthWatch, Little Rock, AR
- Dr. Ron Haskins, Senior Fellow, Economic Studies, The Brookings Institution, Washington, D.C.

The National Commission on Hunger

Full Committee: November 18, 2015

- Mr. Robert Doar, Co-Chair of the National Commission on Hunger, Morgridge Fellow in Poverty Studies, American Enterprise Institute, Washington, D.C.
- Ms. Mariana Chilton, Co-Chair of the National Commission on Hunger, Associate Professor and Director of the Center for Hunger Free Communities, Drexel University, Philadelphia, PA

Addressing Special Populations

Subcommittee: January 12, 2016

- Ms. Abby Leibman, President and CEO, MAZON: A Jewish Response to Hunger, Los Angeles, CA
- Ms. Erika Tebbens, former military spouse, Ballston Spa, NY
- Mr. Vinsen Faris, Executive Director, Meals-on-Wheels of Johnson and Ellis Counties in North Central Texas, Cleburne, TX
- Mr. Eric Schneidewind, President-Elect, AARP, Washington, D.C.

Examining State Options

Full Committee: March 2, 2016

- Ms. Stephanie Muth, Deputy Executive Commissioner for the Office of Social Services, Texas Health and Human Services Commission, Austin, TX
- Ms. Stacy Dean, Vice President for Food Assistance Policy, Center for Budget and Policy Priorities, Washington, D.C.
- Ms. Karen Cunnyngham, Senior Researcher, Mathematica Policy Research, Washington, D.C.

The Retailer Perspective

Full Committee: May 12, 2016

- Ms. Kathy Hanna, Senior Director Enterprise Payments & Store Support, The Kroger Co., Cincinnati, OH
- Mr. Jimmy Wright, Owner, Wright's Market, Opelika, AL
- Mr. Doug Beech, Counsel, Casey's General Stores, Ankeny, IA
- Mr. Carl Martincich, VP of Human Resources and Risk Management, Love's Travel Stops and Country Stores, Oklahoma City, OK

Evaluating Effectiveness and Outcomes in Nutrition Education

Full Committee: June 22, 2016

- Dr. Kimberlydawn Wisdom, Senior Vice President, Community Health & Equity, Henry Ford Health System, Detroit, MI
- Ms. Susan Foerster, Founding Member, Association of SNAP Nutrition Education Administrators, Carmichael, CA
- Dr. Shreela Sharma, Professor of Epidemiology at the University of Texas, Co-Founder of Brighter Bites, Houston, TX
- Dr. Jo Britt-Rankin, Associate Dean & Extension Professor, Extension Committee on Organization & Policy, Columbia, MO

Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity

Full Committee: July 6, 2016

- Ms. Jessica Shahin, SNAP Associate Administrator, Food and Nutrition Service, USDA, Alexandria, VA

- Ms. Kay Brown, Director, Education, Workforce, & Income Security, U.S. Government Accountability Office, Washington, D.C.
- Mr. Dave Yost, Auditor of State, Columbus, OH

Improving Innovation and Success in Employment and Training Programs

Subcommittee: September 13, 2016

- Mr. David Stillman, Assistant Secretary, Economic Services Administration, Department of Social and Health Services, Olympia, WA
- Mr. Pete Weber, Founder, Fresno Bridge Academy, Fresno, CA (accompanied by Kim McCoy Wade, CalFresh Branch Chief, Department of Social Services, Sacramento, CA)
- Mr. Jon Anderson, Deputy Division Director, Office of Family Independence, Division of Family and Children Services, Atlanta, GA

Opportunities for Improving Access to Food

Full Committee: November 16, 2016

- Mr. Eric French, Director of Grocery, Amazon, Seattle, WA
- Mr. Gunnar Lovelace, Founder and Co-CEO, Thrive Market, Marina del Ray, CA
- Mr. Mike Beal, Chief Operating Officer, Balls Food Stores, Kansas City, KS
- Ms. Pamela Hess, Executive Director, Arcadia Center for Sustainable Food and Agriculture, Alexandria, VA
- Ms. Melinda Newport, Director, WIC/Child Nutrition, Department of Health, Chickasaw Nation, Ada, OK

Appendix B: Description of Federal Nutrition Programs

Below is a list of Federally-funded nutrition assistance programs
*** denotes programs within the jurisdiction of the House Committee on Agriculture:*[128]

Supplemental Nutrition Assistance Program**

Provides benefits (through the use of EBT cards) that supplement the food purchasing power of low-income recipients. Benefits vary by household size, income, and expenses (like shelter and medical costs) and averaged $194 per person per month in FY 2017. Administered by USDA FNS.

Food Distribution Program on Indian Reservations (FDPIR) **

Indian Tribal Organizations (ITOs) and some state agencies administer a food distribution program on Indian reservations and in other Native American communities, with eligibility rules similar to SNAP. USDA purchases and ships FDPIR foods to the ITOs and State agencies based on orders from a list of available foods. These administering agencies store and distribute the food, determine applicant eligibility, and provide nutrition education to recipients. Administered by USDA FNS.

The Emergency Food Assistance Program (TEFAP) **

Provides food commodities (and cash support for distribution costs) through states to local emergency feeding organizations (e.g., food banks/ pantries, soup kitchens) serving the low-income population. Administered by USDA FNS.

Community Food Projects**

Competitive grants to nonprofit organizations for programs that improve access to locally-produced food for low-income households. Eligibility for grants will vary according to request for applications. Administered by USDA FNS.

Commodity Supplemental Food Program (CSFP) **

Provides supplemental monthly food packages to primarily low-income elderly persons in projects located in 47 states, the District of Columbia, and 2 Indian Tribal Organizations (ITOs). Administered by USDA FNS.

Senior Farmers' Market Nutrition Program (SFMNP) **

Provides grants to participating states to offer vouchers/coupons to low-income seniors that may be used in farmers' markets, roadside stands, and other approved venues to purchase fresh produce. It is administered by State agencies, such as the Department of Agriculture or Department of Aging. The Federal SFMNP benefit level, whether a household or individual, may not be less than $20 or no more than $50 per each farmers' market calendar year. This operates separately from SNAP. Administered by USDA FNS.

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[128] Randy Aussenburg, Kirsten Colello. Congressional Research Service. *Domestic Food Assistance: Summary of Programs*. February 17, 2016. https://www.fas.org/sgp/crs/misc/R42353.pdf.

Fresh Fruit and Vegetable Program (FFVP)

Provides grants to schools to purchase fresh fruit and vegetable snacks to be provided during the school day. The Committee authorizes funding for FFVP; the House Committee on Education and the Workforce authorizes the program generally. Administered by USDA FNS.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Provides supplemental, nutrient-rich foods; nutrition education and counseling; and breastfeeding promotion and support to low-income pregnant, postpartum, or breastfeeding women, infants, and children. WIC benefits are redeemable for a list of nutrient-rich foods specific to the participant's eligibility category and medical needs (for example, foods specifically recommended for an anemic pregnant woman). These foods are specified in USDA FNS regulations, although state agencies may further specify. Administered by USDA FNS.

WIC Farmers Market Nutrition Program

Provides grants to participating states to offer vouchers/coupons/EBT to WIC participants that may be used in farmers' markets, roadside stands, and other approved venues to purchase fresh produce. Administered by USDA FNS.

School Breakfast Program (SBP)

Provides federal cash assistance for elementary and secondary schools that provide breakfast to school children. Federal subsidies currently range from about 30 cents to $2.00 per meal (depending on the type of meal/snack and the income of the recipient, with subsidies higher in Alaska and Hawaii). Total amount of assistance is based on the number of free, reduced-price, and paid lunches served. Administered by USDA FNS.

National School Lunch Program (NSLP)

Provides federal assistance, in the form of cash and commodities, to elementary and secondary schools that provide lunch to school children. Federal subsidies currently range from about 30 cents to $3.00 per meal (depending on the type of meal/snack and the income of the recipient, with subsidies higher in Alaska and Hawaii). Total amount of assistance is based on the number of free, reduced-price, and paid lunches served. Administered by USDA FNS.

Summer Food Service Program (SFSP)

Provides federal cash assistance and some commodity foods to local public and private nonprofit "service institutions" running summer youth programs, camps, or other recreation sites that serve low-income children during their summer break or during lengthy school-year breaks. Sites may be schools, camps, community centers, and other organizations. Sponsors receive per-meal/snack subsidies as well as assistance with operating costs. Administered by USDA FNS.

Special Milk Program

Provides public or nonprofit schools or child care institutions that do not participate in other federal meal programs with a per-half pint reimbursement for part of the cost of milk served to children/students. Administered by USDA FNS.

Child and Adult Care Food Program (CACFP)

Provides cash subsidies to participating child care centers, family day care homes, afterschool programs, and non-residential adult-care centers for the meals and snacks they serve to children, the elderly, and chronically disabled persons. In child care centers and non-residential adult-care settings, per-meal/snack subsidy payments are the same as those for school meals and child care centers. Family day care homes are reimbursed according to a tiered system. Federal subsidies currently range from about 25 cents to $2.80 (depending on the type of meal/snack and the income of the recipient, with higher subsidies in Alaska and Hawaii). Administered by USDA FNS.

Congregate Nutrition Program

Provides meals to seniors in settings such as senior centers, schools, and adult day care centers. Offers social services such as nutrition education and screening, nutrition assessment, and counseling at meals sites. Provides seniors with opportunities for social engagement and volunteerism. Administered by Health and Human Services.

Home Delivered Nutrition Program

Provides meals to seniors who are homebound. Offers services such as nutrition screening and education, nutrition assessment, and counseling. Administered by Health and Human Services.

Grants to Native Americans: Supportive and Nutrition Services

Provides for the delivery of supportive and nutrition services comparable to services provided in the Home Delivered Nutrition Program (e.g., congregate and home-delivered meals) to older Native Americans. Administered by Health and Human Services.

Nutrition Services Incentive Program (NSIP)

Provides funds to states, territories, and Indian Tribal Organizations to purchase food or to cover the costs of food commodities provided by USDA for the congregate and home-delivered nutrition served during the prior year. Most states choose to receive their share of funds in cash, rather than commodities. Administered by Health and Human Services.

Appendix C: Glossary

Aid to Families with Dependent Children (AFDC): established by the Social Security Act of 1935 as a grant program to enable states to provide cash welfare payments for families with needy children who had been deprived of parental support or care because their father or mother was absent from the home, incapacitated, deceased, or unemployed.

American Recovery and Reinvestment Act of 2009 (ARRA): legislation based largely on proposals made by President Obama, ARRA was intended to provide a stimulus to the US economy in the wake of the economic downturn. ARRA included federal tax relief, expansion of unemployment benefits and other social welfare provisions and domestic spending in education, health care, and infrastructure, including the energy sector.

Beneficiary Earnings Exchange Record (BEER): a batch exchange that provides earnings data to states. Since its inception in 1988, the BEER system has been reporting wage information from the Social Security Administration.

Children's Health Insurance Program (CHIP): provides health coverage to eligible children, through both Medicaid and separate CHIP programs. CHIP is administered by states according to federal requirements. The program is funded jointly by states and the federal government.

Electronic Benefit Transfer (EBT): an electronic system that allows state welfare departments to issue benefits via a magnetically encoded payment card used in the United States.

Expanded Food and Nutrition Education Program (EFNEP): a nutrition education program implemented by the Cooperative Extension Service since 1969. EFNEP has assisted limited resource families and youth in acquiring the knowledge, skills, and changed behaviors necessary for nutritionally sound diets.

Family and Social Services Administration (FSSA): an agency created to develop, finance and compassionately administer programs to provide healthcare and other social services to the citizens of Indiana in need in order to enable them to achieve healthy, self-sufficient and productive lives.

Food and Nutrition Service (FNS): an agency within USDA working to end hunger and obesity through the administration of federal nutrition assistance programs including WIC, SNAP, and school meals. In partnership with state and tribal governments, FNS programs serve one in four Americans during the course of a year.

General Assistance (GA): a state-run safety net of last resort for those who are very poor and do not qualify for other public assistance. Thirty states have General Assistance programs, which generally serve very poor individuals who do not have minor children, are not disabled enough to qualify for the Supplemental Security Income program and are not elderly.

Healthy, Hunger-Free Kids Act of 2010 (HHFK): authorizes funding and sets policy for USDA's core child nutrition programs: the National School Lunch Program, the School Breakfast Program, the Special Supplemental Nutrition Program for Women, Infants and Children, the Summer Food Service Program, and the Child and Adult Care Food Program.

Individualized Family Support Plan (IFSP): a written plan identifying the specific concerns and priorities of a family related to enhancing their child's development and the resources to provide early intervention services to children with disabilities age's birth through two years or special education and related services to children with disabilities ages three through five.

Maintenance of Effort (MOE) funds: generally refers to the funds spent by a state to meet a TANF requirement that a state spend at least a specified amount of state funds for benefits and services for needy households each year. These funds may be spent within or outside of the state's TANF cash assistance program.

Medicaid: a joint federal and state program that helps with medical costs for some people with limited income and resources. Medicaid also offers benefits not normally covered by Medicare, like nursing home care and personal care services.

National Directory of New Hires (NDNH): a database established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The primary purpose of the NDNH is to assist state child support agencies in locating parents and enforcing child support orders; however, Congress has authorized specific state and federal agencies to receive information from the NDNH for authorized purposes.

Older Americans Act (OAA): originally enacted in 1965, OAA is legislation that supports a range of home and community-based services, such as meals-on-wheels and other nutrition programs, in-home services, transportation, legal services, elder abuse prevention and caregivers support. These programs help seniors stay as independent as possible in their homes and communities.

Old-Age, Survivors and Disability Insurance Program (OASDI): the official name for Social Security in the United States. OASDI is a comprehensive federal benefits program that provides benefits to retirees, disabled people, and their survivors.

Public Assistance Reporting Information System (PARIS): a data matching service matching recipients of public assistance to check if they receive duplicate benefits in two or more states. PARIS matches help identify improper payments and minimize fraud and abuse.

Social Security Administration (SSA): an independent agency of the federal government that administers Social Security, a social insurance program consisting of retirement, disability, and survivors' benefits. The U.S. Social Security program is the largest such system in the world and is also the biggest expenditure in the Federal budget. One in seven Americans receive a Social Security benefit and more than 90 percent of all American workers are in jobs covered by Social Security.

Supplemental Security Income (SSI): a Federal income supplement program funded by general tax revenues (not Social Security taxes). It is designed to help aged, blind, and disabled people, who have little or no income, and it provides cash to meet basic needs for food, clothing, and shelter.

Temporary Assistance for Needy Families (TANF): a block grant program created in the 1996 welfare reform (to replace AFDC, a program that had provided cash welfare benefits to needy households) designed to help needy families achieve self-sufficiency. States receive block grants to design and operate programs that accomplish one of the purposes of the TANF program. The four purposes of the TANF program are to:

- Provide assistance to needy families so that children can be cared for in their own homes
- Reduce the dependency of needy parents by promoting job preparation, work and marriage
- Prevent and reduce the incidence of out-of-wedlock pregnancies
- Encourage the formation and maintenance of two-parent families

U.S. Department of Agriculture (USDA): a cabinet-level department that provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on public policy, the best available science, and effective management.

U.S. Department of Health and Human Services (HHS): a cabinet-level department of the federal government with the goal of protecting the health of all Americans and providing essential human services.

U.S. Government Accountability Office (GAO): an independent, nonpartisan agency that works for Congress. Often called the “congressional watchdog,” GAO investigates how the federal government spends taxpayer dollars.

Workforce Innovation and Opportunity Act (WIOA): legislation designed to strengthen and improve the nation’s public workforce system and help get Americans, including youth and those with significant barriers to employment, into high-quality jobs and careers and help employers hire and retain skilled workers.

"We want it to work for the participants. We want it to work for the taxpayer, and that is the purpose of this multi-year review…to get it right, to try to figure out what the right policies are [and] how we can make these things work."
- Chairman K. Michael Conaway, The World of Nutrition and the Role of the Charitable Sector

"I have also personally experienced the stigma of being from a low-income family. Childhood hunger and food insecurity crosses many demographics and socio economic areas. It is urban, suburb[an], and rural. Hunger is the face of many Americans."
- Joseph Nader, Ford Field, The World of Nutrition, Government Duplication and Unmet Needs

"One thing military families should never have to worry about is having enough food."
– Erika Tebbens, Former Military Spouse, Addressing Special Populations

"Poverty is incredibly complex, and people are poor for a myriad of reasons, but access to quality health care, access to quality education, access to housing…all have a direct impact on outcomes, in terms of utilization of the SNAP program."
–Jeremy Everett, Texas Hunger Initiative, Developing and Using Evidence Based Solutions

"Investment by federal nutrition programs in targeted foods of high nutritional quality, and educational support to assist families in using those optimally, is critical to reducing food insecurity, as well as, avoiding obesity, diabetes and other costly chronic diseases that compromise quality of life."
–Melinda Newport, Chickasaw Nation, Opportunities for Improving Access to Food

"Every day the SNAP program and food banks work in tandem."
–Kate Maehr, Greater Chicago Food Depository, The World of Nutrition and the Role of the Charitable Sector

"The day we don't need food banks is the day we end hunger in America."
–Sherrie Tussler, Hunger Task Force, The World of Nutrition, Government Duplication, and Unmet Needs

"I prefer to see SNAP…not so much [as] a program, but a pathway…that works in a functional way to…lift people out of poverty, to achieve greater opportunity, [and] to provide a means for [upward] mobility."
-Congressman Glenn "G.T." Thompson, Examining State Options

"Many people call SNAP a safety net, but for me it was like a trampoline – bouncing my family back into work and a brighter future."
–Keleigh Green-Patton, Former SNAP Recipient, The World of Nutrition and the Role of the Charitable Sector