# HEARING TO EXAMINE THE ROLE OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM IN RELATION TO OTHER FEDERAL ASSISTANCE PROGRAMS

## HEARING

BEFORE THE

SUBCOMMITTEE ON DEPARTMENT OPERATIONS, OVERSIGHT, AND NUTRITION

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

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# HEARING TO EXAMINE THE ROLE OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM IN RELATION TO OTHER FEDERAL ASSISTANCE PROGRAMS

**THURSDAY, JULY 24, 2014**

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DEPARTMENT OPERATIONS, OVERSIGHT, AND NUTRITION,
COMMITTEE ON AGRICULTURE,
*Washington, D.C.*

The Subcommittee met, pursuant to call, at 2:30 p.m., in Room 1300, Longworth House Office Building, Hon. Steve King [Chairman of the Subcommittee] presiding.

Members present: Representatives King, Scott, Gibbs, McAllister, Lucas (*ex officio*), Fudge, McGovern, Lujan Grisham, and Negrete McLeod.

Staff present: Josh Mathis, Kevin Kramp, Mary Nowak, Nicole Scott, Skylar Sowder, Tamara Hinton, Lisa Shelton, Liz Friedlander, and Robert L. Larew.

## OPENING STATEMENT OF HON. STEVE KING, A REPRESENTATIVE IN CONGRESS FROM IOWA

The CHAIRMAN. This hearing of the Subcommittee on Department Operations, Oversight, and Nutrition to examine the role of the Supplemental Nutrition Assistance Program in relation to other Federal assistance programs, will come to order. The chair will recognize himself for an opening statement.

First, I want to thank you all for being here today to discuss a program that serves a vital role: feeding the hungry. Thank you to our witnesses for joining us today. I look forward to hearing your testimony.

The purpose of today's hearing is to examine the role of the Supplemental Nutrition Assistance Program—or as we call it, SNAP—in relation to other Federal assistance programs such as the Temporary Assistance for Needy Families, or TANF program, and school meals.

SNAP is the Federal Government's primary food assistance program that currently serves on average 47 million people per month. SNAP benefits are fully financed by the Federal Government and cost-share between states and the Federal Government is in place for administrative costs only.

No matter what side of the aisle you sit on, we can all agree on the importance of SNAP and helping those in need. However, with

soaring deficits and out-of-control national debt, we must be mindful of this grave financial situation. We, as Members of Congress, have a responsibility to the American people to oversee Federal programs paid for by the taxpayer to ensure that they are operating in the most efficient, cost-effective manner.

SNAP is a program that has seen considerable growth in recent years. Since 2008, the cost of the program has more than doubled. And while the recession has certainly played a part in the dramatic growth of the program, there have been policies put in place by the current Administration to expand participation. It is my hope that today we can all learn more about these policies and take a look into the growth of SNAP.

As you all know, my colleagues and I recently finished the lengthy process of passing a farm bill. And while I think I can speak for the rest of my colleagues in saying that I am pleased to have that job behind us—I know I speak for the Chairman when I say that—the job of Congress is never finished. We must continue to educate each other on Federal programs and exercise our responsibility of oversight.

One particular concern of mine, which we attempted to address in the farm bill, is the interaction of SNAP it has with the Low Income Heat Energy Assistance Program, or LIHEAP. The Food and Nutrition Act of 2008 and the Low Income Home Energy Assistance Act of 1981 provide that low-income households receiving any LIHEAP payments will also qualify for SNAP, SNAP's Standard Utility Allowance, or SUA. SUA is our standardized amount used in place of actual utility costs to calculate a household's shelter costs when determining SNAP benefits, and which can be used essentially to plus up eligibility.

Unfortunately, in the last several years states have been taking advantage of a loophole in how LIHEAP payments interact with SNAP benefit calculations. Any amount of LIHEAP assistance allowed a household to automatically receive the SNAP SUA. Since SNAP benefits are 100 percent Federal dollars, states have been using this loophole to bring more SNAP benefits to their state, increasing the cost to the Federal Government, and, I would add, transferring wealth across the countryside.

Consequently, there were approximately 16 states and the District of Columbia that had been sending payments as low as 10¢ to low-income households so they may take advantage of SNAP SUA. In the farm bill we addressed this loophole by requiring a householder receive a minimum LIHEAP payment of $20 before they can receive the SNAP SUA. However, there have been a number of states, and I will name them—New York, Connecticut, Pennsylvania, Rhode Island, Montana, Oregon, Massachusetts—seven states in all announced that they will continue to, let me say, expand and utilize this loophole by sending out $20 LIHEAP statements payments to continue the heat-and-eat abuse.

In addition, there are three states considering the same actions, at least as has been reported in the press, and that would be California, Wisconsin, and Vermont. Also, Speaker Boehner has strongly voiced his objection to this kind of abuse.

Continued use of the heat-and-eat loophole threatens the amount of savings that will actually be achieved with SNAP reform. This

Committee is concerned, as I am. I hope throughout the hearing we will be able to hear from our panelists about this issue.

Before us today is a panel of three witnesses that have an extensive knowledge of SNAP and have seen firsthand how many of these programs interact. We are joined by Sidonie Squier, Secretary for Human Services Department in New Mexico, as well as a member of the Secretary's Innovation Group, or SIG. Secretary Squier has experienced working as an Associate Commissioner with the Texas Health and Human Services Commission, as well as Director of Economic Self-Sufficiency and Welfare Reform Administrator of the Florida Department of Children and Families.

We have also Robert Doar, who is currently a Fellow at the American Enterprise Institute. Previously, Mr. Doar served as a Commissioner of New York City's Human Resources Administration, where he administered 12 public assistance programs. Most recently, Mr. Doar has been appointed to the National Hunger Commission, a bipartisan panel tasked with developing recommendations to reduce the need for government nutrition programs while maintaining a safety net for the poor.

And we have Stacy Dean, Vice President for Food Assistance Policy at the Center on Budget and Policy Priorities. Ms. Dean brings a unique perspective, having previously worked in the Office of Management and Budget before spending the last 17 years working extensively with program administration and policymakers on nutrition policy.

We appreciate the time each of you has given us to prepare for this hearing. Your testimony will be very helpful for us to better understand how SNAP interacts with other Federal programs. I thank you.

[The prepared statement of Mr. King follows:]

PREPARED STATEMENT OF HON. STEVE KING, A REPRESENTATIVE IN CONGRESS FROM IOWA

Good afternoon.

Thank you all for being here today to discuss a program that serves a vital role: feeding the hungry. Thank you to our witnesses for joining us today. I look forward to hearing your testimony.

The purpose of today's hearing is to examine the role of the Supplemental Nutrition Assistance Program, or as we call it, SNAP, in relation to other Federal assistance programs, such as the Temporary Assistance for Needy Families (TANF) Program and School Meals.

SNAP is the Federal Government's primary food assistance program that currently serves on average 47 million people per month. SNAP benefits are fully financed by the Federal Government, and a cost-share between states and the Federal Government is in place for administrative costs.

No matter what side of the aisle you sit on, we can all agree on the importance of SNAP in helping those in need. However, with soaring deficits and an out of control national debt, we must be mindful of this grave fiscal situation. We as Members of Congress have a responsibility to the American people to oversee Federal programs paid for by the taxpayer to ensure that they are operating in the most efficient, cost-effective manner.

SNAP is a program that has seen considerable growth in recent years. Since 2008, the cost of the program has more than doubled. While the recession has certainly played a part in the dramatic growth of the program, there have been policies put in place by the current Administration to expand participation. It is my hope that today we can all learn more about these policies and take a closer look into the growth of SNAP.

As you all know, my colleagues and I recently finished the lengthy process of passing a farm bill. While I think I can speak for the rest of my colleagues in saying

that I am pleased to have that behind us, the job of Congress is never finished. We must continue to educate ourselves on Federal programs and exercise our responsibility of oversight.

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The Food and Nutrition Act of 2008 and the Low Income Home Energy Assistance Act of 1981 provide that low-income households receiving any LIHEAP payments will also qualify for the SNAP Standard Utility Allowance (SUA). SUAs are a standardized amount used in place of actual utility costs to calculate a household's shelter costs when determining SNAP benefits.

Unfortunately, in the last several years, states have been taking advantage of a loophole in how LIHEAP payments interact with SNAP benefit calculation. Any amount of LIHEAP assistance allows a household to automatically receive the SNAP SUA. Since SNAP benefits are 100 percent Federal dollars, states have been using this loophole to bring more SNAP benefits to their state, increasing costs to the Federal Government.

Consequently, there were approximately 16 states and the District of Columbia that had been sending payments as low as 10¢ to low-income households so they may take advantage of the SNAP SUA.

In the farm bill, we addressed this loophole by requiring a household to receive a minimum LIHEAP payment of $20 before they can receive the SNAP SUA. However, there have been a number of states (New York Gov. Andrew Cuomo, Connecticut Gov. Dannel Malloy, Pennsylvania Gov. Tom Corbett, Rhode Island Gov. Lincoln Chafee, Montana Gov. Steve Bullock, Oregon Gov. John Kitzhaber, and Massachusetts Gov. Deval Patrick) announced that they will continue to extort this loophole by sending out $20 LIHEAP payments to continue the "Heat and Eat" scam. In addition, three states are considering the same actions (California Gov. Jerry Brown, Wisconsin Gov. Scott Walker, and Vermont Gov. Peter Shumlin). "Since the passage of the farm bill, states have found ways to cheat, once again, on signing up people for food stamps," said Speaker John Boehner (R–OH). "And so I would hope that the House would act to try to stop this cheating and this fraud from continuing."

Continued use of the "Heat and Eat" loophole threatens the amount of savings that will actually be achieved with SNAP reform. This is very concerning to me. I hope throughout the hearing, we will be able to hear from our panelists about this issue.

Before us today is a panel of three witnesses that have an extensive knowledge of SNAP and have seen firsthand how many of these programs interact.

We are joined by Sidonie Squier, Secretary for the Human Services Department in New Mexico as well as a member of the Secretary's Innovation Group. Secretary Squier has experience working as an Associate Commissioner with the Texas Health and Human Services Commission as well as Director of Economic Self-Sufficiency and Welfare Reform Administrator in the Florida Department of Children and Families.

We have Robert Doar, who is currently a Fellow at the American Enterprise Institute. Previously Mr. Doar served as Commissioner of New York City's Human Resources Administration where he administered 12 public assistance programs. Most recently, Mr. Doar has been appointed to the National Hunger Commission, a bipartisan panel tasked with developing recommendations to reduce the need for government nutrition programs while maintaining a safety net for the poor.

Last, we have Stacy Dean, Vice President for Food Assistance Policy at the Center on Budget and Policy Priorities. Ms. Dean brings a unique perspective, having previously worked at the Office of Management and Budget before spending the last 17 years working extensively with program administrators and policymakers on nutrition policy.

We appreciate the time each of you has given to prepare for this hearing. Your testimony will be very helpful for us to better understand how SNAP interacts with other Federal programs. Thank you.

I would like to recognize my colleague from Ohio, Ranking Member Fudge, for any opening remarks she may have.

The CHAIRMAN. And I would like to now recognize my colleague from Ohio, Ranking Member Fudge, for any opening remarks she may have.

## OPENING STATEMENT OF HON. MARCIA L. FUDGE, A REPRESENTATIVE IN CONGRESS FROM OHIO

Ms. FUDGE. Thank you so much, Mr. Chairman. Let me just say I just received notice that they have called votes. And so, unfortunately, as we thought might happen, we are going to be playing around our vote schedule. But I will start, Mr. Chairman. Thank you so much for holding this hearing today on SNAP.

And I thank all of our witness for being here.

It is certainly timely to have our first hearing of this Subcommittee on SNAP. I am glad to have this opportunity for us to learn more about this program. Earlier this year, the President signed into law a bipartisan farm bill where Members of both sides of the aisle and across Chambers were able to reach a consensus and show the country Congress can indeed work together.

I don't think anyone was fully happy with the compromise reached, but on balance it met the needs of the American people by providing certainty and sound agricultural policies for our consumers, farmers, and ranchers.

It is important to talk about the farm bill in the context of today's hearing, because SNAP was one of the many controversial issues we had to work through in order to reach a compromise. That is why it is concerning to me when I hear reports of some of my colleagues wanting to suggest changes to a law that was enacted just a few months ago and is still in the process of being implemented.

We negotiated the farm bill for the last 3 years, and it is now time to move on. Going forward, I hope we can better educate ourselves on nutrition programs in preparation for the next farm bill.

Statistics show that SNAP is working well. It is a powerful antipoverty program that has been efficient, effective, and highly responsive to the needs of the people. According to the Center on Budget and Policy Priorities, SNAP lifted nearly 4.7 million Americans out of poverty in 2011, including about 2.1 million children. Further, SNAP benefits often function as an economic stimulus, as every $1 in SNAP benefits generates about $1.70 in economic activity.

Critics of the program like to point out that the number of participants has risen in recent times. This is not surprising, as growth can largely be attributed to the recession. The number of unemployed Americans increased by 94 percent from 2007 to 2011, and SNAP responded with a 70 percent increase over the same period. However, SNAP enrollment growth slowed in 2012 as the economy began to recover. Also, the Congressional Budget Office predicts that SNAP spending will begin to decline in 2015, with both unemployment and SNAP participation returning to pre-recession levels by 2022.

These statistics show that SNAP is operating as it should, providing a supplemental source of funds to assist families with food purchases during tough times. The farm bill created pilot work programs with a focus on employment and training. Current law requires—I say requires—SNAP participants to register for work, accept job offers, and participate in workshare or training programs if they are offered. States may also require job training.

Over the last decade the number of low-income working households on SNAP has risen dramatically, from two million in 2000 to about 6.4 million in 2011. This disappointing trend reflects both a rise in SNAP participation among eligible low-income working households, as well as wage erosion at the low end of the wage scale. Some workers earn wages so low that even full-time, year-round employment is inadequate to keep their family out of poverty. In fact, the share of workers with below-poverty wages was 28 percent in 2011.

Further, there is often more to the story than meets the eye regarding those SNAP participants who do not work. These individuals are not lazy. Rather, in many cases they lack the necessary job skills for employment or access to affordable child care and transportation.

I am hopeful the pilot programs created by the farm bill will produce innovative approaches to ensuring low-income working families can secure employment with adequate wages, so they can lift themselves out of poverty and off of SNAP.

Contrary to what some critics of the program may believe, most Americans want a hand up, not a handout. As Members of the Subcommittee on Department Operations, Oversight, and Nutrition, it is imperative that we take the time to fully understand the intricacies of SNAP.

As I said at the beginning of my statement, I hope this is an issue we can continue to explore as we look ahead to the next farm bill. We have invited three experts witnesses to this hearing so we can learn more about SNAP and how it interacts with other Federal assistance programs. I am looking forward to hearing what they have to say.

I yield back, Mr. Chairman.

The CHAIRMAN. I thank Ranking Member Fudge for her opening statement and turn to the Chairman of the full Committee, Mr. Lucas, for any statement he might have.

Mr. LUCAS. Mr. Chairman, I would waive off a statement in recognition of the fact that we have a vote underway on the floor.

The CHAIRMAN. I thank the Chairman. And I would point out that we are nearly 10 minutes into the vote that has been called and roughly 5 or so minutes left to go on to that tally. We expect that it is going to be a relatively long series of votes, perhaps an hour. But this hearing is in recess, subject to the call of the chair. And I advise the Members that it is my intention to resume the hearing immediately after the series of votes. Thank you.

[Recess.]

The CHAIRMAN. The chair will call this hearing back to order and refresh us on our status: that is that the opening statements were concluded, the witnesses were introduced, and other Members were asked to include any opening statement into the record.

And at this point, I would like to recognize Ms. Squier for her testimony.

**STATEMENT OF SIDONIE SQUIER, SECRETARY, NEW MEXICO HUMAN SERVICES DEPARTMENT, SANTA FE, NM; ON BEHALF OF SECRETARY'S INNOVATION GROUP**

Ms. SQUIER. Thank you, Mr. Chairman and Members of the Committee. I am very appreciative of this opportunity to appear as the Secretary of New Mexico's Department of Human Services. My Department administers food stamps, TANF, Medicaid, LIHEAP and many other human service programs.

In addition, I am a member of the Secretary's Innovation Group.

The CHAIRMAN. Can you pull the microphone a little closer, please?

Ms. SQUIER. I can. And that is a network of 17 human service secretaries reporting to their governors from states that represent 34 percent of the U.S. Our members favor policies that promote work, self-sufficiency, and healthy families.

Last year, and this year, we were pleased to work with Members of this Committee and Representative Steve Southerland in the development and passage of the ten state food stamp work demonstration to be implemented no later than February of this coming year. I am pretty sure New Mexico is going to be involved in that.

The Food Stamp Program, or SNAP, is a food supplement program whose intended purpose is to assure individuals with the very lowest incomes have enough to eat. But, regrettably, this program has strayed from its earlier worthwhile purpose. As a way of comparison, in the year of 2001, one out of every 14 households received food stamps. But in just a little more than a decade, one in five American households has now become dependent on taxpayer-funded food assistance.

Is it likely that the proportion of American households unable to afford the purchase of sufficient food has increased more than threefold during that period? At the same time, the number of non-working, able-bodied households receiving benefits has ballooned. If you will look, you will see a chart that shows just that. It is very simple so I don't think I need to walk you through it.

The financial costs of distributing free food to such a large portion of American families is a substantial burden on the average American taxpayer. Currently, 65 million households pay net Federal income tax. The rest pay nothing or else they receive a payment through the EITC. The amount of annual Federal income taxes needed to pay food stamp benefits is an astonishing $1,300 per income-taxpaying households. With an average food stamp monthly benefit of $275, this means that each Federal income-taxpaying household is buying almost 5 months of groceries for other families each year.

With food stamp usage now cutting a swath well into the middle class, is it fair to ask if we were anticipating that average Americans would be buying each other their groceries through the Federal Government?

The recent recession has absolutely played a role in the enrollment surge, but it does not account for the size. As the chart below again very clearly shows, food stamp caseloads have gone up and down during periods of expansion and contraction without close correlation to the economic conditions. For example, during the pe-

riod of strong economic growth between 2001 and 2007, food stamp caseloads increased by more than 50 percent.

More significant factors include Federal policy changes, in particular the aggressive Federal pressure on states to recruit additional beneficiaries, combined with the loosening of eligibility rules through a provision of law called categorical eligibility. Categorical eligibility permits households to bypass the normal income limit of 130 percent of the poverty level and the resource limit also of $2,000 to $3,250 imposed by SNAP if these households are eligible for TANF or SSI or the State General Assistance Program.

The CHAIRMAN. Ms. Squier?

Ms. SQUIER. Yes.

The CHAIRMAN. As the clock has ticked down on the 5 minutes, could I ask you to summarize the balance of your testimony, and we will try get the rest of it in questions, please?

Ms. SQUIER. Yes, sir.

The CHAIRMAN. Thank you.

Ms. SQUIER. So the thing that I want to bring home the most today, I won't even read it, is that because of this provision called categorical eligibility, in New Mexico, for instance, anybody who touches the TANF program—which can be anybody in the state, because the TANF program touches things like marriage or counseling or fatherhood that don't have anything to do with assets at all. So you could have millions of dollars in the bank and still be eligible for food stamps just because you are touched by a TANF program, even something as simple as a brochure.

Thank you.

[The prepared statement of Ms. Squier follows:]

PREPARED STATEMENT OF SIDONIE SQUIER, SECRETARY, NEW MEXICO HUMAN SERVICES DEPARTMENT, SANTA FE, NM; ON BEHALF OF SECRETARY'S INNOVATION GROUP

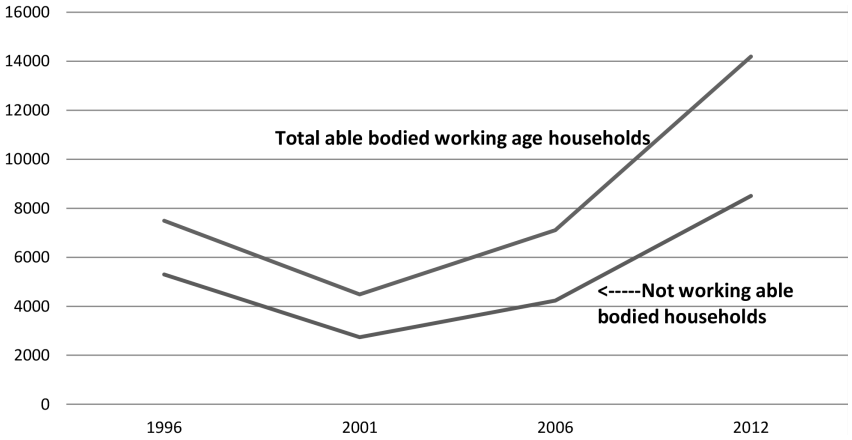
**Greetings Mr. Chairman and Members of the Committee:**

Thank you for this opportunity. As the Secretary of New Mexico's Department of Human Services, our department administers Food Stamps, TANF, Medicaid and other human service programs. In addition, I am a member of the *Secretary's Innovation Group,* a network of 17 state human services secretaries reporting to their governors from states representing 34% of the U.S. Our members actively seek to promote policies that advance work, self-sufficiency and healthy families. Last year and this year we were pleased to work with Members of this Committee and Rep. Steve Southerland toward the development and passage in the farm bill of the ten state Food Stamp Work Demonstration to be implemented no later than February of this coming year.

The Food Stamp program, or SNAP, is a food supplement program whose intended purpose is to assure individuals with the very lowest incomes have enough to eat. But regrettably the program has strayed from this earlier worthwhile purpose. As a way of comparison, in the year 2001, one out of every fourteen U.S. households received Food Stamps. *But in just a little more than a decade one in five American households has now become dependent on taxpayer funded food assistance.* Is it likely that the proportion of American households unable to afford the purchase of sufficient food has increased more than threefold during this period?[1] At the same time the number of beneficiaries who are able bodied and not working has ballooned.

[1] Data from Congressional Research Service; Food and Nutrition Service; U.S. Census Bureau.

**After Declining During the Five Year Period After TANF Work-Based Reforms, Non-Working Able Bodied Food Stamp Households Jump**




Source: Food and Nutrition Service, U.S. Dept. of Agriculture. Excludes elderly and disabled.

The financial costs of distributing free food to such a large proportion of American families is a substantial burden on the average American taxpayer. To place this in perspective, sixty five million households pay net Federal income tax (the rest pay nothing or else receive a cash payment via the EITC).[2] The amount of Federal income taxes needed to pay Food Stamp benefits for 1 year is an astonishing $1,300 on average per income taxpaying household.[3] The average Food Stamp monthly benefit is $275 which means that each Federal income taxpaying household is buying almost 5 months of groceries for other families each year.[4] With Food Stamp usage now at one in five families and cutting a swath well into the middle class, is it fair to ask if we were anticipating that this many Americans would be buying each other their groceries through the Federal Government?

The recent recession has played a role in the Food Stamp enrollment surge, but it does not account for its size. As the chart below shows, Food Stamp caseloads have gone up and down during periods of expansion and contraction without close correlation to economic conditions. For example during the recent period of strong national economic growth between 2001 and 2007 Food Stamp caseloads nevertheless increased by more than 50%.[5] More significant factors accounting for the enrollment surge relate to Federal policy changes, in particular the aggressive Federal pressure on states to recruit additional beneficiaries, combined with the loosening of eligibility rules. One of these loosened standards is a provision called "broad based categorical eligibility".

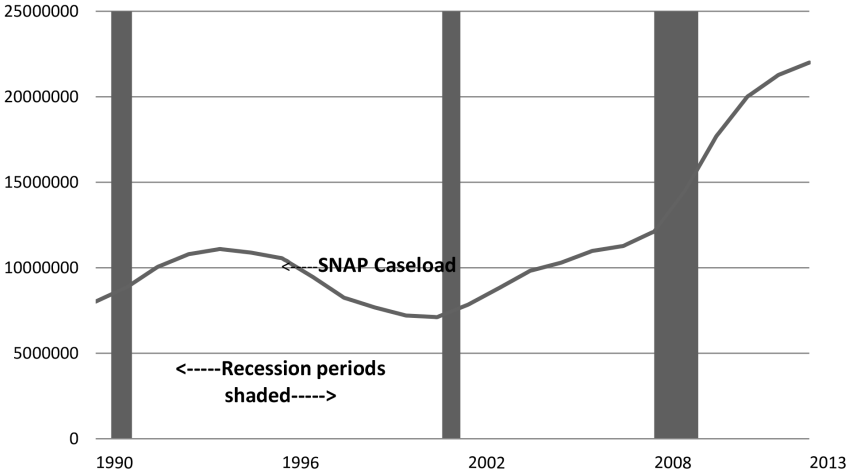
[2] The Tax Policy Center estimates that 56.7 percent of households paid Federal income taxes in 2013 (*http://www.taxpolicycenter.org/taxtopics/federal-taxes-households.cfm*). There were an average of 115.2 million American households in the period between 2008–2012 (Census Bureau (*http://quickfacts.census.gov/qfd/states/00000.html*). Accordingly, approximately 65 million households had net Federal income tax liability in 2013.

[3] Those with high earnings contribute more than $1,300 per year; those with low earnings less. The middle ⅕ of American households pay $12,800 in annual Federal income taxes.

[4] Average monthly benefit per household 2013, FNS.

[5] Food and Nutrition Service program participation tables.

**Food Stamp Caseload Changes Do Not Directly Correlate to Economic Conditions**




Broad based categorical eligibility allows households to bypass the normal income limit of 130% of poverty and resource limit of $2,000 to $3,250 imposed by SNAP if these households are eligible for TANF, SSI or state general assistance programs.[6] The original idea was that these other programs have their own income and resource tests, more stringent than Food Stamps, and therefore calculating a separate eligibility determination just for Food Stamps was redundant.

However this is no longer the case, because an entire state's population can now be eligible for TANF services. With the passage of 1996 welfare reform law, the nature of the new TANF program broadened beyond cash assistance, so that now less than 30% of TANF expenditures are made in the form of traditional cash distribution.[7] Other services, for example efforts to reduce out of wedlock pregnancies or to promote two parent families, are potentially available to a state's entire population, and subsidized child care represents an increasing share of benefit dollars.[8] Under current FNS guidance, even the distribution of a TANF brochure or an 800 information number qualifies an individual as a "TANF beneficiary" and triggers SNAP categorical eligibility.[9] In a paper issued under contract to USDA, researchers concluded that elimination of the asset test in a state inflates the Food Stamp caseload by an estimated 22%.[10]

In 2009 FNS sent a directive to its regional administrators (copy below) stating that: "*We encourage you to continue promoting categorical eligibility as a way to increase SNAP participation and reduce state workloads*". In that year and the next, twenty eight new states adopted categorical eligibility (including New Mexico under a prior Administration), and as of now 43 states have adopted the provision.[11] We think that this FNS policy directive was misguided.

Prior to the aggressive attempts by FNS to expand the Food Stamp program using broad based categorical eligibility, those with sizeable savings or assets were expected to use these resources before asking for taxpayer funded food assistance.

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[6] For a detailed description of SNAP eligibility requirements see GAO–12–670.

[7] CRS, *The Supplemental Nutrition Assistance Program: Categorical Eligibility.* In FY 2011 29% of benefits were in the form of cash.

[8] *Ibid.*

[9] Under categorical eligibility Federal asset and income tests are substituted by state limits if any.

[10] Karen Cunnyngham and James Ohls, *Simulated Effects of Changes to State and Federal Asset Eligibility Policies for the Food Stamp Program,* U.S. Department of Agriculture, Food and Nutrition Service, Contractor and Cooperator Report No. 49, October 2008, p. xvi, *http://naldc.nal.usda.gov/download/26691/PDF*. GAO estimates are lower; see GAO–12–670, *Improved Oversight of State Eligibility Expansions Needed.*

[11] GAO–12–670; and CRS, *The Supplemental Nutrition Assistance Program: Categorical Eligibility*.

Similarly, those who were employed and earning a lower middle class income or above (130% of poverty or more) were expected to buy their own groceries out of their earnings. This is no longer necessarily the case.

During the consideration of the farm bill, the House voted to end the categorical eligibility provision, although it was retained in the final version. I think, as do the members of the Secretary's Innovation Group, that categorical eligibility as currently constituted is not prudent, and that the House may wish to reconsider this part of the law and FNS practice in its promotion to states.

Thank you.

**Letter from USDA Encouraging States To Increase Food Stamp Caseloads of Households With Income and Assets Over Limit Using Categorical Eligibility**

SEP 30 2009

United States Department of Agriculture

Food and Nutrition Service

3101 Park Center Drive

Alexandria, VA 22302-1500

SUBJECT: Improving Access to SNAP through Broad-Based Categorical Eligibility

TO: Regional Administrators
All Regions

We would like to highlight the potential of expanded categorical eligibility to enhance Supplemental Nutrition Assistance Program (SNAP) operations and accessibility. We recognize that your staff has been instrumental in supporting States' adoption of expanded categorical eligibility, and are pleased that over half of the States have adopted this policy to date. We encourage you to continue promoting expanded categorical eligibility as a way to increase SNAP participation and reduce State workloads.

In these times of rising caseloads and shrinking State budgets, expanded categorical eligibility can benefit States by simplifying policies, by reducing the amount of time States must devote to verifying resources, and by reducing errors. It can benefit families hurt by the economic crisis. For example, families with low incomes and modest assets will be eligible for benefits. It can extend food assistance to families with high expenses but gross incomes slightly higher than the normal gross income test. Applicants will not need to provide documentation verifying their resources. Finally, adopting expanded categorical eligibility can promote asset accumulation among low-income families.

As you know, a household is categorically eligible for SNAP if the household receives a cash benefit, such as public assistance, general assistance, or Supplemental Security Income, or a TANF/MOE funded non-cash benefit, such as a pamphlet or counseling services. In the past, we have referred to non-cash categorical eligibility as "expanded categorical eligibility," "soft categorical eligibility," and "hard categorical eligibility." From this time forward, we will use the term, "broad-based categorical eligibility" to refer to the policy that makes most, if not all, households categorically eligible for SNAP because they receive a non-cash TANF/MOE funded benefit or service, such as an informational pamphlet or 800-number. We will use the term, "narrow categorical eligibility" to describe the policy that makes a smaller number of households categorically eligible for SNAP because they receive a TANF/MOE funded benefit such as child care or counseling. We believe that these terms, broad-based categorical eligibility and narrow categorical eligibility, better describe the policy.

Both narrow and broad-based categorical eligibility are non-cash categorical eligibility. We will refer to cash categorical eligibility as "traditional categorical eligibility." We have attached a handout and flow chart to help you and your States with the complex regulations that define and regulate categorical eligibility. Please feel free to share these tools with your States.

AN EQUAL OPPORTUNITY EMPLOYER

APPENDIX

***Reforming Food Stamps (SNAP)***

*By The Secretary's Innovation Group*

November 2012

**Principal Authors:**

MAURA CORRIGAN, *Lead Secretary,* Michigan Department of Human Services
LILLIAN KOLLER, *Director,* South Carolina Department of Social Services
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PHYLLIS GILLMORE, *Secretary,* Kansas Department of Social and Rehabilitation Services

The Supplemental Nutrition Assistance Program (SNAP), or food stamp program, was unaffected by the welfare reforms of the 1990s. Because it lacks the work requirements of the Temporary Assistance for Needy Families (TANF) program, it does little to promote self-sufficiency. Nor can it properly be called a nutrition program, as there are no limitations or incentives in place to promote the purchase of healthy food.

The food stamp program is the second most expensive means-tested government assistance program after Medicaid. It is part of a system of sixty programs that provide cash, food, housing, and social services to low-income Americans, and is one of twelve programs that provide food assistance to the poor. As with all the other cash and in-kind benefits, food stamps should be analyzed in the context of the much larger means-tested system. Total means-tested Federal and state spending has more than doubled over the past decade, increasing from $431 billion in 2000 to $927 billion in 2011. The food stamp portion of this spending has increased more than four times, from $20 billion in 2000 to $85 billion in 2011.

Fundamental reform of the food stamp program is needed to control costs, ensure that limited resources are used to benefit those truly in need, and to refocus the program on promoting employment and self-sufficiency for able-bodied, working-age recipients. The best way to accomplish these goals is by converting the program to a fixed allocation, changing eligibility and work requirements, and allowing states significant flexibility in implementing those requirements. This would enable states to use the strategies that have proven effective under the TANF program. In addition, states should have the authority and obligation to pursue robust anti-fraud and recoupment programs.

**Problems With the Food Stamp Program as Currently Constituted**

*Lack of Reciprocity*

There is an imbalance in fairness between the taxpayer and many recipients of food stamps. The program has left behind its original purpose of feeding those who might literally go hungry, and now cuts a swath deep into the middle class, subsidizing food purchases among many who are clearly able to afford their nutritional needs. The current food stamp program asks almost nothing from most non-working, able-bodied recipients in order to obtain these benefits—not to work, to look for work, or to prepare for work. Like the successful welfare reform of the 1990s, the program should be restructured so that it is primarily a temporary safety net designed to move most recipients to self-sufficiency.

*Long Term Dependency*

Historically, about ½ of food stamp assistance has gone to families with children who have received benefits for more than 8 years. The current program is failing to promote self-sufficiency. Given the sharp increase in caseloads since 2008, there is a danger that long-term dependency will be created among a new segment of formerly self-sufficient individuals and families. By 2010, one in five American households were receiving food stamps, and more than half of the 10.5 million households with at least one able-bodied, working-age adult had no employed member. Another million to two million households included adults who worked less than full time.

*Recipients Are No Longer Asked To Look to Their Own Resources First Before Asking for Public Transfers*

Half of all current recipients are eligible for food stamps because of the expansion of a loophole that eliminates restrictions on the amount of assets an applicant may have and still qualify. In prior years, those with temporarily low incomes but large savings or assets were expected to use those resources before turning to food stamps. Thus, those reaching the end of unemployment benefits but with thousands in the bank, and farmers who had a bad year but had millions in land and equipment were not eligible for food stamps. This appropriate "asset test" has effectively been made moot by the expansion of a loophole called "broad based categorical eligibility." Under this provision, applicants can be deemed "categorically eligible" as a result of having received any TANF-funded service. This could be as little as having received a brochure or an 800 number referral for social services. The U.S. Department of Agriculture has encouraged the use of "categorical eligibility" to increase the asset limit or eliminate the asset test for eligibility. This is one reason that food stamp enrollment has surged.

*Federal Rules Lack Checks Against Improper Payments and Fraud*

The program as federally administered has weakened efforts to ensure proper use of funds. Face to face eligibility applications and reviews are no longer mandatory, nor is there an emphasis on the fastest growing source of fraud—by retailers diverting funds to the cash black economy. USDA rules preclude states from using their own investigators to track down this enormous illegal diversion of funds. One of the byproducts of the introduction of a food stamp work program is that it will significantly reduce the amount of funds going to otherwise employed recipients who cannot be in two places at once.

***The Secretary's Innovation Group Recommends these fundamental reforms:***

1. Food stamps should be converted to a fixed allocation with work requirements, conceptually similar to TANF, but with differences to match its differing population and benefit structure. For cases with an able-bodied adult not working, an expectation of 30 hours of weekly work activity per family should be the norm. The elderly and disabled should be exempt from work requirements, as under current TANF law. Because of the recent explosive growth of the food stamp population, work requirements would be phased in as budgets permit, with TANF funds and employment infrastructure an eligible source for the operation of the state food stamp work program.

2. Work requirements under the proposed food stamp fixed allocation should be non-waivable, comparable to a proper reading of current TANF law. Any reductions in Federal funding levels for states not operating a food stamp work program as required should be imposed within 24 months after the putative year of non-compliance.

3. A state's fixed allocation grant amount should be set at the level the state receives at the time the program is converted to a fixed allocation. Shared ongoing savings from reductions in food stamp dependency over time would be allocated as follows:

- For expenditures in subsequent years that exceed the base year, the Federal Government and state bear the cost of the increase equally.
- For expenditures in subsequent years that are lower than the base year, the Federal Government and state share the savings equally.
- For expenditures below FFY 2008 levels, the state retains 100% of the savings.

4. States will submit an annual plan that must be accepted by the USDA if it meets the following requirements:

- States must incorporate a work program as described in paragraph 1 above.
- States must incorporate robust up-front and ongoing eligibility tests, including an asset test.
- States must incorporate rigorous detection and funds recapture provisions for intentional program violations by individual recipients and commercial retailers.
- States must assure that food stamp funds are limited for the purchase of nutritious food.

***Adopting the Secretary's Innovation Group recommendations will activate millions and reserve resources for those most in need.***

A move of the food stamp program away from its current function as a straight income transfer program into a temporary program for able bodied working-age recipients, while supporting only those most in need among the aged and disabled, will re-balance it. As with TANF, states will use their fixed annual allocations to maximize the impact of their resources dedicated to increasing work levels. It will not be possible to engage all current non-working food stamp recipients in work levels comparably broad to TANF at the outset, but experience shows that work requirements phased in judiciously, first for new applicants, then for the rest as budget savings are realized, will have immediate constructive impacts on employment and caseloads, and a longer term realignment of funds so as to support those most in need.

The CHAIRMAN. Thank you, Ms. Squier.

And the chair now recognizes Mr. Doar for his 5 minute testimony.

Mr. Doar.

**STATEMENT OF ROBERT DOAR, MORGRIDGE FELLOW IN POVERTY STUDIES, AMERICAN ENTERPRISE INSTITUTE, WASHINGTON, D.C.**

Mr. DOAR. Thank you, Chairman King, Ranking Member Fudge, and other Members of the Committee. I greatly appreciate being invited to testify today about the Supplemental Nutrition Assistance Program. My name is Robert Doar, and I am the Morgridge Fellow in Poverty Studies at the American Enterprise Institute.

Prior to joining AEI, I spent 18 years working in government social services programs for the State and City of New York. For most of those years, I had significant responsibilities for the operation of the SNAP program.

And let me say first, SNAP plays an important role helping struggling American families. The assistance it provides alleviates material hardship, reduces poverty, and combats hunger among poor children, the elderly, and the disabled. All Americans can be proud of the enormous amount of relief SNAP provides to struggling Americans.

SNAP also can provide needed financial assistance to low-income working families to make low wages go further. For a single mother with two children working full-time, SNAP can provide more than $2,500 annually in assistance to purchase food. And when combined with the Federal Earned Income Tax Credit and Child Tax Credit, that assistance can make the effective compensation of an $8 an hour job the equivalent of more than $11 per hour. And if public health insurance or Medicaid is also provided and taken into account, then you can see the way in which America's generous assistance programs make low-wage work pay.

But SNAP is not perfect. And as someone who strongly endorsed the work support aspect of the program while I was Commissioner in New York City, I have been disturbed at the extent to which in the past 10 years it has become a program that both supports work, but when combined with other assistance programs appears to also be discouraging work.

SNAP and some other assistance programs lack a strong work requirement. And it appears from data provided by USDA that an increasing number of non-elderly, non-disabled adults are not are receiving SNAP benefits but are not reporting any earnings to the SNAP offices.

This is troubling for two reasons. First, it raises the question, how are these families getting by on only the aid provided by food stamps, which was never intended to cover all of the needs of a family? And second, shouldn't these recipients of government assistance at least be strongly encouraged to take part in an effort to get them back to work where their incomes can rise more significantly?

If the goal of expanding SNAP access to the program was to make SNAP more of a work support for low-income workers, then the data should show more recipients reporting earnings to the food stamp offices.

Another troubling aspect of the most recent past for the SNAP program is the extent to which it is no longer as responsive to an

improving economy and lower unemployment as it once was. As the chart in my testimony shows, the longstanding pattern of SNAP going up with high unemployment and down with low unemployment seems to have been broken. So that now, 5 years after the end of the recession the expected drop in SNAP use has not occurred as it has in the past.

In the 4 years following the recession of the early 1980s, during which unemployment levels rivaled those in the most recent recession, the number of food stamp participants decreased by over two million and food stamp participants as a percentage of the population dropped by over 1.5 percent.

The past 5 years have not followed this pattern of economic recovery. In the 4 years following the end of the downturn in 2009, the number of SNAP recipients increased by 7.3 million. Moreover, the percentage of population receiving food stamps increased from 13 percent to 15 percent.

Were this recent recovery to have behaved similarly to that of the 1980s, by 2013 only 11.5 percent of the population would have been receiving SNAP benefits, 36 million individuals, as opposed to 47.6 million individuals. That is not a small difference.

Now, there are all sorts of forces at work here. It could be that the recovery is just too weak, and certainly that is part of the story in many parts of the country. And some of the increase in recipients is due to households who have some work. But there is also a component of this development which is caused by the combination of assistance programs which do not have a work requirement contributing to a situation where the motivation to work at all has been diminished or the motivation to work off the books has been increased.

I am concerned about this, not because I am against helping poor Americans buy food for themselves and their children, as my record of promoting the Food Stamp Program in New York makes clear. I have been a strong supporter of providing aid to people in need. But I also want them to escape poverty. And assistance programs that do not lead people into employment, but instead finance nonwork, will have one sure outcome: They will keep people poor.

Thank you.

[The prepared statement of Mr. Doar follows:]

PREPARED STATEMENT OF ROBERT DOAR, MORGRIDGE FELLOW IN POVERTY STUDIES, AMERICAN ENTERPRISE INSTITUTE, WASHINGTON, D.C.*

***Does SNAP Support Work? Yes and No***

Chairman King, Ranking Member Fudge, and other Members of the Committee: Thank you for the opportunity to testify today before the Subcommittee on Department Operations, Oversight, and Nutrition of the House Committee on Agriculture. I greatly appreciate being invited to discuss the Supplemental Nutrition Assistance Program (SNAP) and its role, along with other government assistance programs, in both alleviating poverty and supporting work for low-income Americans.

My name is Robert Doar and I am the Morgridge Fellow in Poverty Studies at the American Enterprise Institute (AEI). Prior to joining AEI, I spent eighteen years working in government social services programs for the State and City of New York. From 2004 to 2006, I was Commissioner of the New York State Office of Temporary and Disability Assistance where I was responsible for the oversight of SNAP as well as other public assistance programs in New York State. For the 7 years directly be-

*The views expressed in this testimony are those of the author alone and do not necessarily represent those of the American Enterprise Institute.

fore I joined AEI, I was the Commissioner of the New York City Human Resources Administration and had the day to day operational responsibility of determining eligibility for SNAP. My extensive experience with the management of SNAP has given me considerable insight into how the program is actually working for American families—insight which I would like to now share.

My testimony will address the following issues:

I. **The importance of SNAP.** SNAP provides needed resources to low income Americans. SNAP benefits alleviate material hardship, reduce poverty and support employment.

II. **The rapid growth of SNAP.** The program's growth during the past 14 years has been both dramatic and unprecedented and can be attributed to both a weak economy and significant programmatic changes.

III. **The low responsiveness of SNAP to recent economic improvements.** Today, 5 years after the official end of the recession, the number of SNAP recipients has not fallen at the rate that would normally be expected in a post-recession period. In fact, SNAP's responsiveness to reduced unemployment seems to have decreased significantly since 1980.

IV. **Work and SNAP.** While many SNAP recipients are working and using SNAP benefits as an important work support, a remarkably high number of nonelderly, nondisabled SNAP recipients are not reporting earnings from work and are not facing any effective work requirement associated with SNAP.

V. **The role of SNAP in the context of other public assistance programs.** SNAP does not operate alone in providing assistance to low income Americans. For those SNAP recipients who are also receiving TANF funded cash assistance, SNAP works in conjunction with a program which has a strong emphasis on work requirements in return for assistance. For those who are disabled or elderly, SNAP provides needed additional assistance to very vulnerable individuals and families. But for the very many SNAP individuals and households who are not on TANF and who are not disabled or elderly, SNAP can, when combined with other forms of government provided assistance, encourage a household to place less emphasis on the importance of full-time employment than it should.

VI. **Asset tests and the LIHEAP loophole.** The widespread ending of an asset test for SNAP is a mistake. Those decisions should be revisited, with the goal of preventing people with significant assets from receiving SNAP benefits. In addition, while Congress attempted to close the LIHEAP loophole, the extent to which states have been able to continue to falsely characterize public housing residents as being in need of LIHEAP assistance shows that, for some, programs such as SNAP are not about encouraging work—and thereby reducing poverty—but about drawing down as much Federal aid as possible.

**SNAP Growth Through the Recession**

SNAP has experienced unprecedented growth in the 2000s. Today the program serves 46.2 million people—double the number of participants from just 10 years ago.[1] This tremendous program expansion can be attributed to four main factors: the negative economic consequences of the 2008–09 recession and a disappointingly weak recovery; changes in program rules which have significantly eased program entry; large growth in the number of recipients who are working; and promotional efforts by the U.S. Department of Agriculture (USDA), and others, which have encouraged use of the program.

*I. The Recession*

Lingering effects of the recent recession have only been exacerbated by the anemic recovery of the labor force. The unemployment rate remains higher than in pre-recession years and as of 2012, 11.8 percent of all families in the United States were living in poverty.[2–3] Even those who are working are still struggling to make ends meet as wages have not increased and part time work has grown.

In the wake of this increased need for supplemental aid for families and individuals, programs like SNAP have grown dramatically (see *Figures 1* & *2*). From 2000

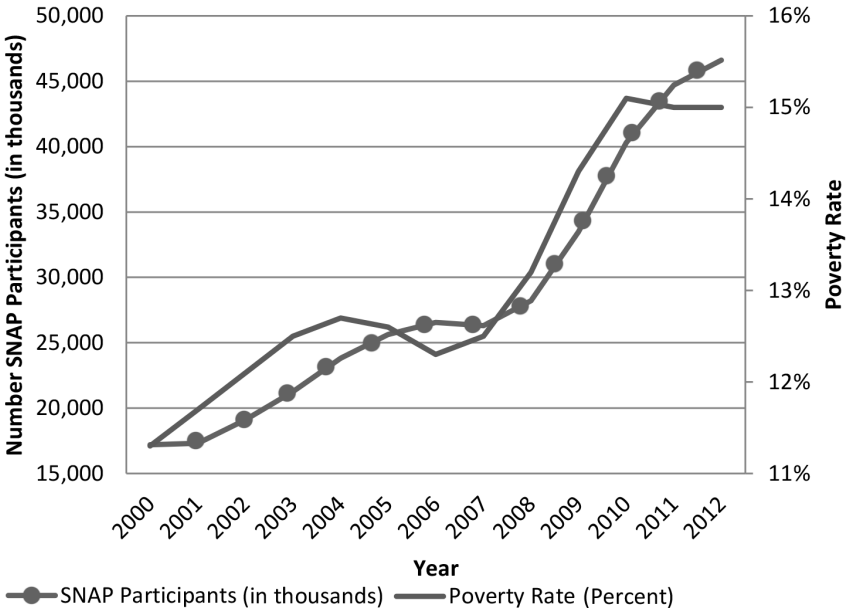
[1] *Supplemental Nutrition Assistance Program Participation and Costs,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 14 July 2014, *http://www.fns.usda.gov/sites/default/files/pd/SNAPsummary.pdf*, *http://www.fns.usda.gov/sites/default/files/pd/29SNAPcurrPP.pdf*.

[2] *Employment status of the civilian noninstitutional population, 1943 to date,* Bureau of Labor Statistics. Accessed 3 July 2014, *http://www.bls.gov/cps/cpsaat01.pdf*.

[3] *Families in Poverty by Type of Family: 2011 and 2012,* U.S. Census Bureau. Accessed 3 July 2014, *http://www.census.gov/hhes/www/poverty/data/incpovhlth/2012/table4.pdf*.

to 2013 the number of SNAP participants increased from fewer than 17.2 million to more than 47.6 million individuals.[4] In that same time period, total benefits paid to participants increased fivefold.[5] SNAP has supported families in and near poverty through difficult economic times by alleviating their material hardship and reducing their financial need.

**Figure 1: SNAP Participants & the Poverty Rate, 2000–2012**

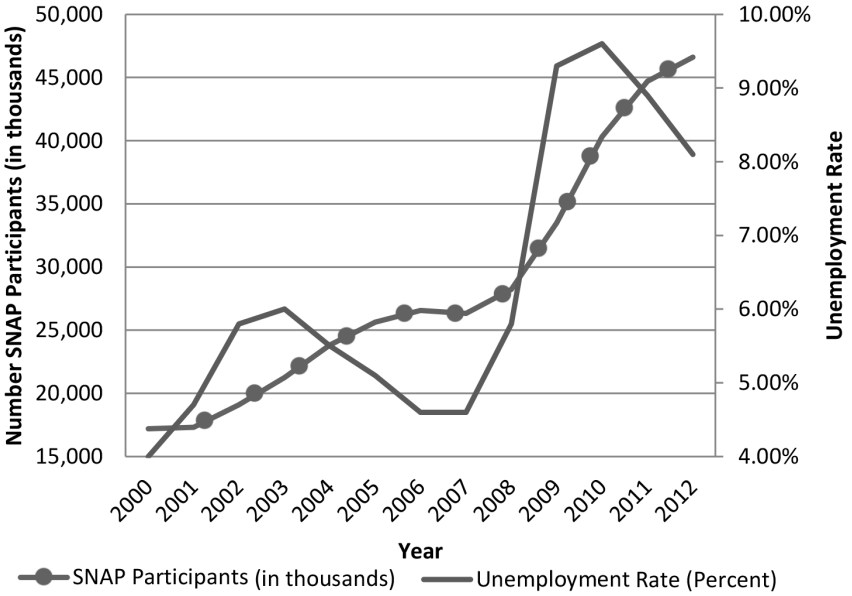



Sources: U.S. Census Bureau, USDA.

[4] *Supplemental Nutrition Assistant Program Participation and Costs,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 3 July 2014, *http://www.fns.usda.gov/sites/default/files/pd/SNAPsummary.pdf.*

[5] *Ibid.*

**Figure 2: SNAP Participants & the Unemployment Rate, 2000–2012**




Sources: U.S. Bureau of Labor Statistics, USDA.

*II. Program Changes*

At the same time, SNAP rules and requirements have been modified to enhance program access. Altering asset and work requirements as well as recertification timelines has contributed significantly to the increase in program participation. With support from USDA, states have also reduced the requirement for face to face eligibility interviews and promoted the use of telephone interviews and online applications. All of these changes make the eligibility rules of SNAP much different than those for TANF.

The participation rate of eligible people in the U.S. increased from 55.7 percent in 2000 to 79 percent in 2011.[6–7] Many states had even higher participation rates: Michigan and the District of Columbia both showed 99 percent participation, and Maine, Oregon, and Washington all achieved 100 percent program participation among all eligible individuals.[8] Another similar and more recent measure of participation, the Program Access Index (PAI), the proportion of people below 125 percent of the poverty line who receive SNAP benefits, shows a continuing increase in access from 69 percent in 2010 to 74 percent in 2012.[9–10]

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[6] *A User's Guide to Measures of Food Stamp Program Participation Rates,* Table 1, U.S. Department of Agriculture Food and Nutrition Service. Accessed 3 July 2014, *http://www.fns.usda.gov/sites/default/files/ParticipationUsersGuide.pdf.*

[7] *Reaching Those in Need: State supplemental nutrition assistance program participation rates in 2011,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 3 July 2014, *http://www.fns.usda.gov/sites/default/files/Reaching2011.pdf.*

[8] *Ibid.*

[9] *Calculating the Supplemental Nutrition Assistance Program (SNAP) Program Access Index: A Step-by-Step Guide for 2010,* United States Department of Agriculture Food and Nutrition Service, Office of Policy Support. Accessed 15 July 2014, *http://www.fns.usda.gov/sites/default/files/PAI2010.pdf.*

[10] *Calculating the Supplemental Nutrition Assistance Program (SNAP) Program Access Index: A Step-by-Step Guide for 2012,* United States Department of Agriculture Food and Nutrition Service, Office of Policy Support. Accessed 15 July 2014, *http://www.fns.usda.gov/sites/default/files/PAI2012.pdf.*

*III. Growth of the Working Population*

Partly as a result of changes intended to make the program easier to navigate for low wage workers, the number of working SNAP recipients has increased by 4.6 million since 2000.[11]

This could be seen as a positive development that shows that the program has evolved to be a source of supplemental income for working families. In New York City for example, we encouraged the use of the program for low wage workers in order to help them make their earnings go farther. During my time as welfare commissioner of New York City, the number of SNAP recipients living in households which did not receive benefits from TANF or SSI grew by 500,000. This remarkable growth was used to demonstrate the extent to which the program had become a significant work support.

*IV. Promotion by the USDA*

In an effort to increase accessibility to the program and remove any existing social stigmas associated with program participation, the USDA has revitalized the program's image. Changes have included changing the program name and promoting it as a positive resource rather than an indicator of need. The USDA and others have also expanded outreach efforts. This encouragement of the use of SNAP has contributed to increased participation.

All of these forces have culminated in a massive increase in aid being distributed through SNAP. From 2000 to 2013, the amount of total benefits distributed to program participants jumped from less than $15 billion to over $76 billion.[12] Over that same time period the average benefits paid out to each person nearly doubled from $72.62 to $133.07.[13]

In all, SNAP has been an extremely responsive tool to combat the economic downturn and has provided substantial assistance to low income Americans. SNAP enables low wages to go farther and has played an integral role in the fight to reduce poverty. Studies such as one by Tiehan, Jolliffe & Smeeding for the Institute for Research on Poverty have shown that SNAP decreases poverty by as much as 16 percent, and cuts extreme poverty in half, making it an extremely effective antipoverty program.[14] In 2011 alone SNAP helped 3.7 million people out of poverty, 3.4 million out of deep poverty, and lowered the poverty rate by eight percentage points.[15] The positive effect of SNAP can also be seen in studies of poverty using consumption measures where the extent and severity of poverty is shown to be significantly lower than measures which focus on income.

Given the enormous growth of SNAP as a response to the recession, two important questions emerge: First, why, now that the economy has begun to strengthen, is the number of recipients not dropping faster? Second, have efforts to increase SNAP's reach and impact allowed for too much non-work among able recipients?

Slow Decline in Participation Post-Recession

Today, 5 years after the end of the recession, the number of SNAP participants and the amount of benefits paid are just beginning to decline. From April 2013 to April 2014 there was a 2.7% decrease in participants and an 8.4% drop in total benefits paid.[16] Given the substantial increase in the number of recipients of SNAP, these decreases are remarkably modest: the number of participants increased by as much as seven million a year immediately following the recession, while the past year has shown a decrease of only 1.3 million.[17–18]

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[11] *USDA Characteristics of Supplemental Nutrition Assistance Program Households,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 18 July 2014, *http://www.fns.usda.gov/sites/default/files/2000Characteristics.pdf*, *http://www.fns.usda.gov/sites/default/files/2012Characteristics.pdf.*

[12] *Supplemental Nutrition Assistant Program Participation and Costs,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 3 July 2014, *http://www.fns.usda.gov/sites/default/files/pd/SNAPsummary.pdf.*

[13] *Ibid.*

[14] Tiehen, Laura; Jolliffe, Dean; Smeeding, Timothy. *The Effect of SNAP on Poverty,* Institute for Research on Poverty, Working Paper No. 1415–13. 28 October 2013.

[15] *Ibid.*

[16] *Supplemental Nutrition Assistance Program,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 14 July 2014, *http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap.*

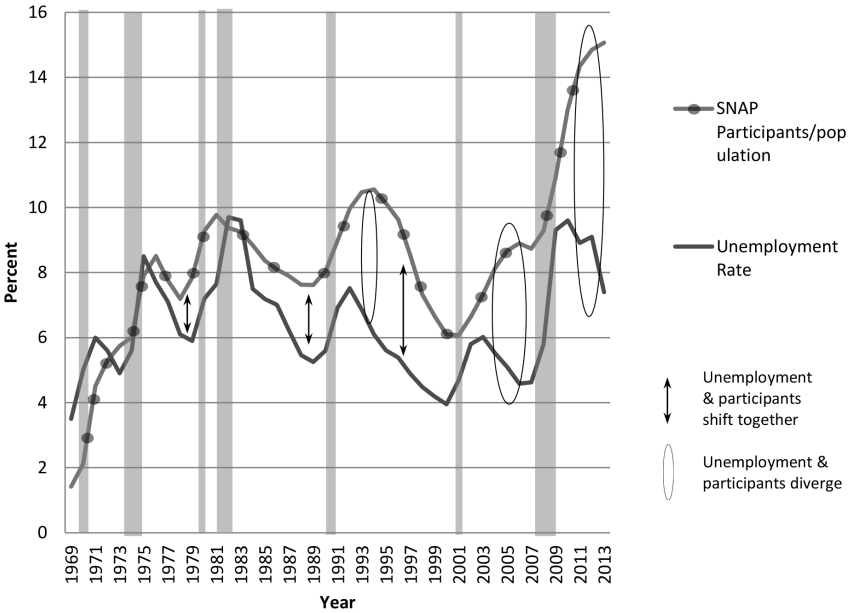
[17] *Supplemental Nutrition Assistance Program Participation and Costs,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 14 July 2014, *http://www.fns.usda.gov/sites/default/files/pd/SNAPsummary.pdf.*

[18] *Supplemental Nutrition Assistance Program,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 14 July 2014, *http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap.*

In fact, looking at the years following this most recent recession in comparison to the years following previous downturns, it is apparent that SNAP is responding differently than it has in the past (see *Figure 3*). In the 4 years following the recession of the early 1980s, during which unemployment levels rivaled those of the most recent recession, the number of food stamp participants decreased by over two million and food stamps participants as a percentage of the population dropped by over 1.5 percent from the beginning of the recession.[19] Similarly, in the 4 years following the recession of the early 1990's, the number of participants remained fairly constant after adjusting for population.

The past 5 years have not followed this pattern of economic recovery. In the 4 years following the end of the downturn in 2009, the number of SNAP recipients increased by 7.3 million.[20] Moreover, the percentage of the population receiving food stamps increased from 13 percent to 15 percent. To give perspective on this number, we can compare the recent recovery with the recovery after the recession of the 1980's, whose duration and unemployment levels are most comparable. Adjusting for population, in the 4 years following the 1981–82 recession, there was a 12.5 percent decline in food stamp recipients. In the 4 years following the 2007–09 recession, SNAP recipients increased by 15.6 percent. Were this recent recovery to have behaved similarly to that of the 1980's, by 2013 only 11.5 percent of the population would have been receiving SNAP benefits: 36 million individuals as opposed to 47.6 million.[21] That is not a small difference.

**Figure 3: SNAP Trends Through Recessions, 1969–2013**




Sources: USDA, BLS, NBER, Census Bureau.

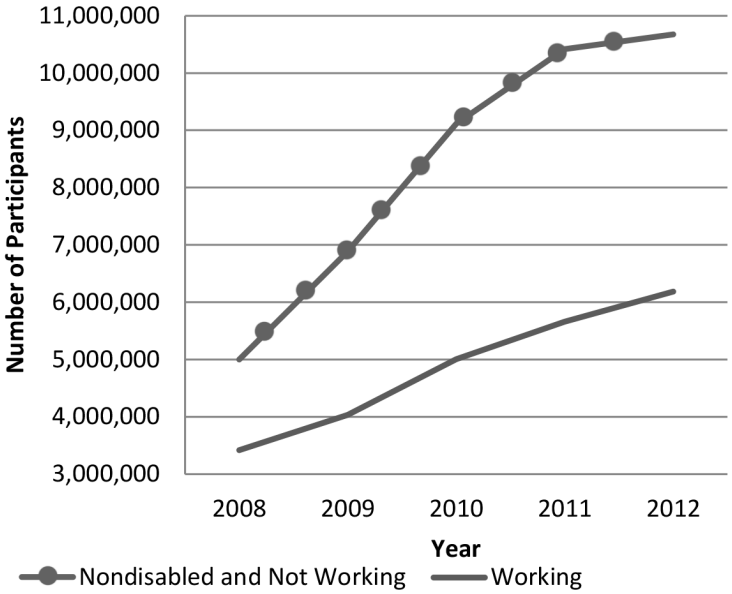
Work Requirements Among Able Adults

While the SNAP working population has grown, there are many individuals receiving SNAP benefits who are not working or at least not reporting earnings to SNAP eligibility offices. Under recent program changes, the process of applying has become less rigorous, and while this has expanded the program to meet the needs of many Americans, it has also opened the door for many non-workers and off-the-book workers, to receive SNAP benefits without facing any effort to help them get into regular employment.

[19] AEI calculations using USDA, BLS, NBER, and Census Bureau data.
[20] AEI calculations using USDA, BLS, NBER, and Census Bureau data.
[21] AEI calculations using USDA, BLS, NBER, and Census Bureau data. To obtain the 35 million individuals in 2013 the percent change in population on SNAP from 1983–86 was applied to the portion of the population on SNAP in 2013.

From 2008 to 2012 the number of nonelderly, nondisabled SNAP recipients who were not reporting earnings ballooned from five million (18 percent of SNAP recipients) to over 10.6 million (23 percent).[22–23] As of 2012, almost half of these individuals were not even participating in the labor force.

**Figure 4: Nonelderly Adult Participants by Work Status, 2008–2012** [24]



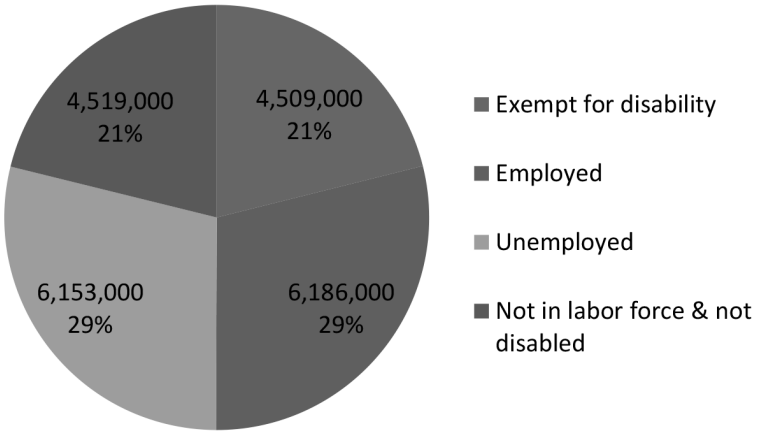

AEI Calculations using USDA data for years 2008–2012.

[22] *USDA Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2008,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 14 July 2014, *http://www.fns.usda.gov/sites/default/files/2008Characteristics.pdf.*

[23] *USDA Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2012,* U.S. Department of Agriculture Food and Nutrition Service. Accessed 14 July 2014, *http://www.fns.usda.gov/sites/default/files/2012Characteristics.pdf.*

[24] The number of nondisabled, nonelderly and nonworking was derived from the "Characteristics of Supplemental Nutrition Assistance Program Households" for Fiscal Years 2008 to 2012. A summation of nonelderly adults not in the labor force and not looking for work, minus those exempt for disability, and nonelderly unemployed adults looking for work yields the total number of presumably able-bodied nonelderly persons who are not working. This number is an estimate, as it does not account for the possibility that some of these recipients may be working off-the-books, be otherwise incapable of work, or have other motivations for non-work.

**Figure 5: Employment Status Among Nonelderly Adult SNAP Participants, 2012**




Source: USDA Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2012.

**Figure 6: SNAP Participant Work Trends, 1998**

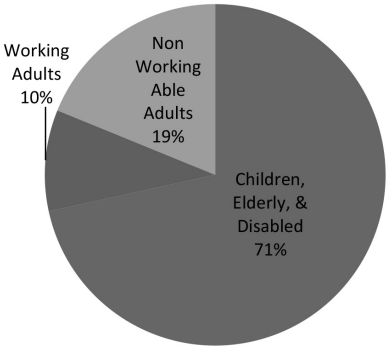



**Figure 7: SNAP Participants Work Trends, 2002**

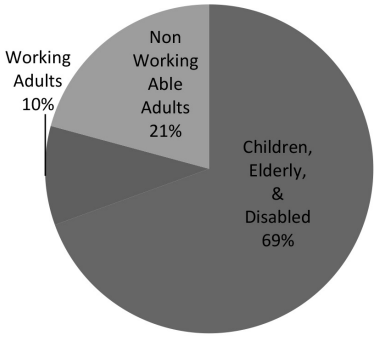


**Figure 8: SNAP Participant Work Trends, 2008**

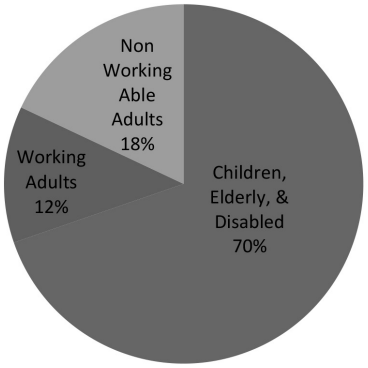
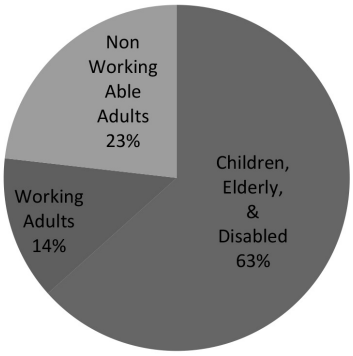



**Figure 9: SNAP Participants Work Trends, 2012**




This number, which includes some recipients who are also on TANF, and others who are receiving unemployment insurance benefits, has doubled through the recession and this growth far exceeds that of working SNAP participants. While there may be some explanation for some of this non-work status (individuals in the process of applying for disability status for instance, or going through a short spell of unemployment), the growth in this number is troubling. SNAP benefits are not intended to satisfy a household's needs beyond supplementing an existing income to provide for food. Helping these individuals gain employment would greatly strengthen the economic situation of their households.

Another group over which we need to be concerned is Able-Bodied Adults Without Dependents (ABAWDs). In 2012, only 1.5 million out of 5.5 million households not containing children, elderly or disabled individuals reported earned income.[25] Additionally, out of approximately 4.4 million childless households containing at least one nondisabled adult, only 1.2 million reported earned income.[26] Only a little more than a quarter of these able and childless adults is working.

To achieve the goal of labor market integration for all of these able bodied adult recipients, we must examine what we can do to facilitate, motivate, and require work. My experience at both the state and local levels has led me to believe that the best way to move individuals receiving public assistance into employment is to send a strong message that work is both expected and required for those who are able.

One of the most significant effects following the implementation the welfare reform legislation was the large number of AFDC recipients who declined to pursue cash assistance when they were asked to participate in regular activities associated with receiving assistance. The clear conclusion which I and many others reached was that these former AFDC recipients were already working in some capacity but not in on-the-books employment. Further study on this issue is needed but it is clear to me that at least some of the apparent non-work of SNAP recipients can be attributed to recipients who are engaged in the off-the-books economy and are also able to apply for and receive SNAP benefits.

SNAP Does Not Operate Alone

SNAP is not the only program that acts as a support for working families. The Earned Income Tax Credit, public health insurance, child care assistance, child support collections and other programs all can—when working correctly—help to make work more attractive than welfare for low wage workers living in households with children. As the charts below show, by using just three Federal programs, EITC, SNAP and Medicaid, a single mother or father can "gross up" an $8 an hour job. A single parent working for $8 an hour but working only half-time can also make her wages go significantly farther by applying for and receiving aid.

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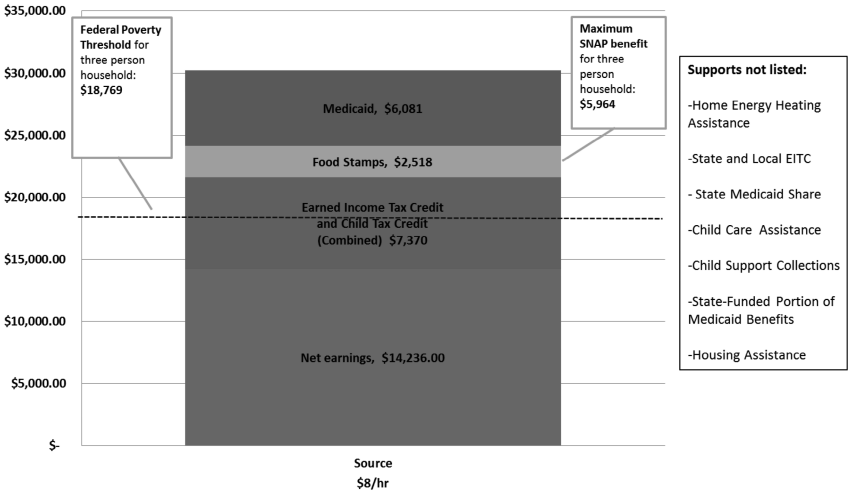
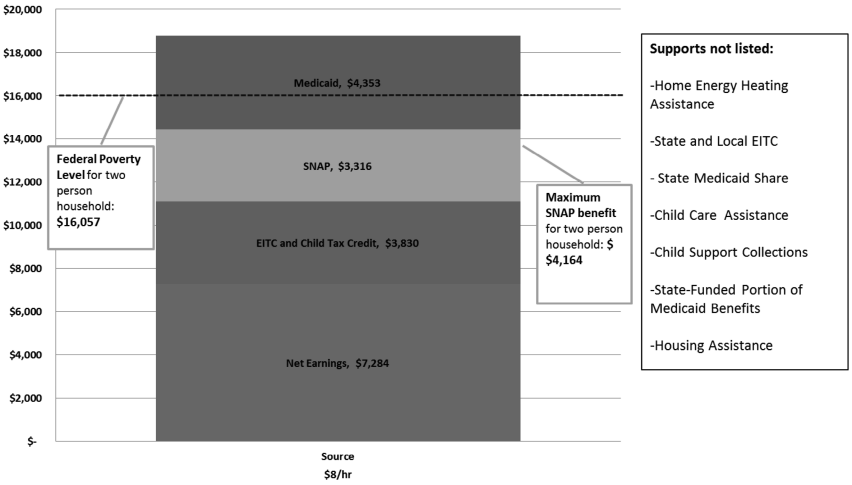
[25] *USDA Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2012,* Table A.16. U.S. Department of Agriculture Food and Nutrition Service. Accessed 14 July 2014, *http://www.fns.usda.gov/sites/default/files/2012Characteristics.pdf.*

[26] *Ibid.*

**Estimated Value of Wages and Select Federal Benefits for a Low-Income Earner With Two Children Working Full Time at $8/hr = $30,204**




**Estimated Value of Wages and Select Federal Benefits for a Single Mom With One Child Working Half-Time at $8/hr = $19,251**



However, while these "supports for working people" clearly reward work, they may also replace work, especially when multiple supports are combined with each other. At the very least, this combination of assistance can reduce the incentive for someone to increase their hours, or take regular on-the-book employment. My experience in New York—where many, many residents asked for and received SNAP and Medicaid, but declined TANF (and its accompanying work requirements and employment assistance), and yet still reported to our offices very low earnings, led me to believe that the issue of well-intentioned "work supports" potentially reducing on-the-book employment needs to be studied.

Asset Testing and the LIHEAP Loophole

The use of broad-based categorical eligibility to allow SNAP programs to waive the asset test has been a mistake. That is not to say that we should return to the old and insufficient asset test. A limit of $10,000 in assets (not including primary residence and a car) seems to me to be appropriate. I say this for two reasons: first, by refusing to allow SNAP offices to investigate assets, applicants who have assets are able to avoid declaring them. This encourages people who do not want to lie on a government form to take advantage of the program and apply for assistance they do not really need. Second, a central principle of government assistance for the poor should be that applicants and recipients should be encouraged to first use their own resources and efforts to help themselves and their families before they turn to government. Ending the asset test has encouraged abuse, and discouraged personal responsibility.

Residents of public housing often do not have utility expenses billed directly to them. Those costs are supported by the rent they pay and the subsidy they receive to keep their rent low. These same residents may also be in need of SNAP assistance, which they should be able to receive. However, to artificially increase the amount of their SNAP benefit by suggesting that they have burdensome utility expenses when, in reality, they do not, is a gimmick that is unfair to both the SNAP program and the thousands of LIHEAP recipients who do have utility expenses which are only partially offset by LIHEAP assistance. By continuing to exploit the LIHEAP loophole, states are showing that they are more interested in drawing down maximum federal dollars than they are in running programs that promote work and provide properly tailored assistance to people in need.

**Conclusion**

Our nation's Supplemental Nutrition Assistance Program provides important assistance to needy Americans. SNAP alleviates material hardship, reduces poverty, helps the elderly and disabled, and provides needed food to children in low income families. By supplementing low wages, SNAP can encourage and sustain work while discouraging the use of cash welfare.

Despite these positive aspects of SNAP, my experience with the program during the past 10 years, especially during the period following the 2008–09 recession, leads me to believe that some efforts to promote the use of SNAP may have reduced the work support aspect of the program. By itself, SNAP benefits may not be enough to reduce the incentive for a recipient to go to work, or to move from part-time to full-time regular employment, but when combined with unreported earnings or other assistance programs—perhaps most notably unemployment insurance benefits—the program does appear to allow a significant number of adult recipients to remain out of work longer than they might otherwise. Without some effort to require these SNAP recipients to participate in employment programs such as those offered under TANF, I fear that the number of non-working, nonelderly, nondisabled SNAP recipients will remain high. This will contribute to slower economic growth—but more important, it will keep these families poor.

The CHAIRMAN. Thank you Mr. Doar.

I now recognize Ms. Dean for her 5 minute testimony.

Ms. Dean.

## STATEMENT OF STACY DEAN, VICE PRESIDENT FOR FOOD ASSISTANCE POLICY, CENTER ON BUDGET AND POLICY PRIORITIES, WASHINGTON, D.C.

Ms. DEAN. Chairman King, Ranking Member Fudge, thank you for the opportunity to testify today. I am Stacy Dean, the Vice President for Food Assistance Policy at the Center on Budget and Policy Priorities, a nonpartisan policy institute.

I am pleased to have the opportunity to talk to you about SNAP today and SNAP's relationship to other programs. SNAP is designed to provide a basic nutrition benefit to low-income families, seniors, and people with disabilities who cannot afford an adequate diet.

Today, the program helps feed more than 46 million people, including 21 million children and nine million children living with family income below ½ the poverty line. While the program is not perfect, as Mr. Doar points out, it does an admirable job of meeting its core purpose of providing food assistance to needy households.

Moreover, recent research indicates SNAP's benefits aren't limited to providing relief from just poverty and hunger. SNAP also improves the long-term outcomes and self-sufficiency for individuals who received its benefits as children. For example, one of the most striking findings is that participation in SNAP as a young child improved high school completion rates by 18 percent. So although Ranking Member Fudge stole some of my thunder, I would like to highlight some of the program's key strengths.

SNAP is highly responsive to need. It is an entitlement, meaning that anyone who qualifies can receive its benefits. This is the program's most powerful feature. It enables SNAP to respond quickly and effectively during times of economic distress. Enrollment does expand when the economy weakens and it contracts when the economy recovers.

After growing substantially in response to the great recession and the subsequent slow recovery, SNAP costs have started falling and are expected to fall further. In April 2014, which represents the most recent data that we have, 1.5 million fewer people were on the program than when participation peaked in 2012. And CBO projects that by 2019 SNAP will return to its pre-recession spending levels as a share of the economy.

Second, SNAP growth was not a result of waste or fraud. SNAP has an impressive track record with respect to program integrity. The share of SNAP payments issued to ineligible households in 2013 was less than one percent. And moreover, SNAP's efforts to measure and cut errors really set the standard across government programs.

SNAP is a powerful antipoverty program. While benefits are modest, just $1.40 per person, per meal, they do have a big impact. SNAP lifted about nearly five million Americans above the poverty line in 2012, including 2.2 million children.

And SNAP is an important work support. The number of low-income working households on SNAP has risen dramatically. While only about 28 percent of families with an able-bodied adult had earnings in 1990, 55 percent of those families were working in 2012. Most SNAP recipients who can work do, turning to SNAP temporarily when they lose employment. So when you look at before and after their participation in SNAP, more than 80 percent of households with at least one working-age nondisabled adult work in the year prior to or after receiving SNAP.

So let me quickly pivot to SNAP's relationship to other programs. Of course people cannot survive on SNAP benefits alone. Many people whose circumstances qualify them for SNAP also meet other programs eligibility criteria. Working families with children who

participate in SNAP may also, for example, receive child care subsidies, and the majority of SNAP recipients qualify for health coverage either under Medicaid or Medicare. And as such, State Administrators, like Mr. Doar and Secretary Squier, work to coordinate SNAP's delivery and program rules with other programs when appropriate.

There are many cross-program coordination issues, so let me just highlight one for you. Other programs can and do rely upon SNAP's rigorous assessment of household financial circumstances. This can result in more efficient application and enrollment systems, as well as be the means to connect people to benefits that can help them beyond SNAP.

Moreover, because SNAP's assessment is so robust, its information can actually increase the quality and program integrity in other programs. For example, Medicaid can rely upon verified information in the SNAP program, rather than reassessing and reworking the same information.

The School Meals Program adopts SNAP's determination of eligibility for children to qualify them for the Free School Meals Programs, rather than asking schools to replicate that effort.

So to be sure, few state officials want to replicate SNAP's very high and prescriptive standards for eligibility and administration. Many however, are willing to use SNAP's determinations to create efficiencies for other programs.

Of course, we should all work to find ways to improve SNAP, and I think today's discussion will be an important contribution to that effort. But I really encourage the Committee to reject proposals that would weaken the program's ability to provide food assistance or to experiment with ideas that risk compromising the program's proven success.

So thank you. I would be happy to answer any questions.

[The prepared statement of Ms. Dean follows:]

PREPARED STATEMENT OF STACY DEAN, VICE PRESIDENT FOR FOOD ASSISTANCE POLICY, CENTER ON BUDGET AND POLICY PRIORITIES, WASHINGTON, D.C.

Thank you for the opportunity to testify today. I am Stacy Dean, Vice President for Food Assistance Policy at the Center on Budget and Policy Priorities, an independent, nonprofit, nonpartisan policy institute located here in Washington. The Center conducts research and analysis on a range of Federal and state policy issues affecting low- and moderate-income families. The Center's food assistance work focuses on improving the effectiveness of the major Federal nutrition programs, including the Supplemental Nutrition Assistance Program (SNAP). I also lead our work on program integration and efforts to facilitate and streamline low-income people's enrollment into the package of benefits for which they are eligible. This includes directing technical assistance to state officials through the Work Support Strategies Initiative run by the Urban Institute and the Center for Law and Social Policy. The Center on Budget and Policy Priorities receives no government funding.

My testimony today focuses on SNAP's relationship to other Federal programs.[1] SNAP is highly responsive to other Federal assistance programs in the way that it assesses eligibility and benefit levels. This ensures that its benefits are targeted to those who struggle the most to afford a nutritious diet. And, other programs are keenly aware of SNAP's ability to scrutinize the financial circumstances of low-income households. As a result, numerous programs rely upon SNAP's determinations of eligibility and assessment of individual circumstances when setting their own eligibility rules and procedures. Moreover, SNAP is a significant program with a broad

[1] My testimony draws upon the work of my colleagues at the Center on Budget and Policy Priorities, particularly Dorothy Rosenbaum.

reach and high and proscribed standards for how benefits must be processed. As a result, SNAP is a highly influential program as states seek to coordinate the delivery of health and human services across many programs.

My testimony will focus on four areas:

- SNAP is a very effective program that alleviates poverty and hunger as well as improves its participants' long-term outcomes.
- States and USDA operate SNAP very efficiently and with a high degree of accuracy in addition to the program's rigorous eligibility assessment of participants.
- SNAP's benefit calculation is very sensitive to households' receipt of other assistance programs, ensuring that benefits are targeted to those that struggle the most to afford an adequate diet.
- Other programs benefit from SNAP's robust and high-quality eligibility determination process. SNAP participation and the verified data used in a SNAP eligibility determination can be and is used by other programs to streamline their own eligibility and enrollment processes.

**SNAP Plays a Critical Role in Our Country**

Before turning to today's hearing topic of the role SNAP plays in other Federal assistance programs, I think it is important to review some of SNAP's most critical features. As of April of this year, SNAP was helping more than 46 million low-income Americans to afford a nutritionally adequate diet by providing them with benefits via a debit card that can be used only to purchase food. On average, SNAP recipients receive about $1.40 per person per meal in food benefits. One in seven Americans is participating in SNAP—a figure that speaks both to the extensive need across our country and to SNAP's important role in addressing it.

Policymakers created SNAP to help low-income families and individuals purchase an adequate diet. It does an admirable job of providing poor households with basic nutritional support and has largely eliminated severe hunger and malnutrition in the United States.

When the program was first established, hunger and malnutrition were much more serious problems in this country than they are today. A team of Field Foundation-sponsored doctors who examined hunger and malnutrition among poor children in the South, Appalachia, and other very poor areas in 1967 (before the Food Stamp Program was widespread in these areas) and again in the late 1970s (after the program had been instituted nationwide) found marked reductions over this 10 year period in serious nutrition-related problems among children. The doctors attributed a significant part of this reduction to the Food Stamp Program (as the program was then named). Findings such as this led then-Senator Robert Dole to describe the Food Stamp Program as the most important advance in the nation's social programs since the creation of Social Security.

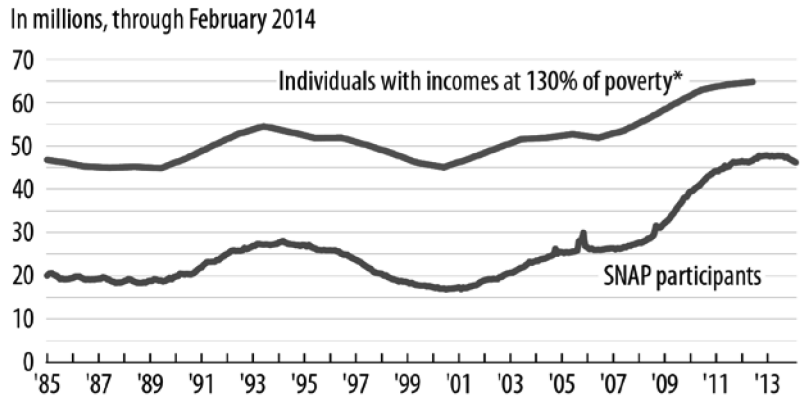
Consistent with its original purpose, SNAP continues to provide a basic nutrition benefit to low-income families, elderly, and people with disabilities who cannot afford an adequate diet. In some ways, particularly in its administration, today's program is stronger than at any previous point. By taking advantage of modern technology and business practices, SNAP has become substantially more efficient, accurate, and effective. While many low-income Americans continue to struggle, this would be a very different country without SNAP.

**SNAP Protects Families From Hardship and Hunger**

SNAP benefits are an entitlement, which means that anyone who qualifies under the program's rules can receive benefits. This is the program's most powerful feature; it enables SNAP to respond quickly and effectively to support low-income families and communities during times of economic downturn and increased need. Enrollment expands when the economy weakens and contracts when the economy recovers.

***Figure 1***

**SNAP Caseloads Closely Track Changes in Number of Poor and Near-Poor**




*Poverty numbers are annual estimates and not yet available after 2012. Spikes in SNAP participants are from disaster benefits (*i.e.,* after hurricanes).

Sources: U.S. Department of Agriculture (SNAP Program Participants); U.S. Census Bureau (annual estimates of individuals below 130% of poverty).

As a result, SNAP can respond immediately to help families and to bridge temporary periods of unemployment or a family crisis. If a parent loses her job, SNAP can help her feed her children until she is able to improve her circumstances. A U.S. Department of Agriculture (USDA) study of SNAP participation over the mid-2000s found that more than half of all new entrants to SNAP participated for less than 1 year and then left the program when their immediate need passed.

SNAP's ability to serve as an automatic responder is also important when natural disasters strike. States can provide emergency SNAP within a matter of days to help disaster victims purchase food. After the 2005 hurricanes, for example, SNAP provided more than two million households with almost $1 billion in temporary food assistance. In 2013, SNAP helped households affected by Hurricanes Isaac and Sandy, tornadoes in Oklahoma, and flooding in Colorado, and in 2014 it has helped households in the Southeast affected by severe storms.

SNAP's caseloads grew in recent years primarily because more households qualified for SNAP because of the recession, and because more eligible households applied for help. The Congressional Budget Office (CBO) has confirmed that "the primary reason for the increase in the number of participants was the deep recession . . . and subsequent slow recovery; there were no significant legislative expansions of eligibility."[2]

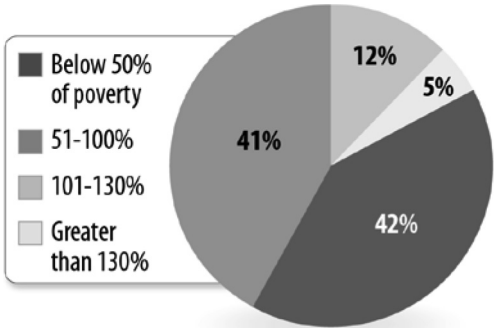
While this increase in participation and spending was substantial, SNAP participation and spending have begun to decline as the economic recovery has begun to reach low-income SNAP participants. In 2013, SNAP growth began to stabilize, and by April 2014, the number of SNAP participants had fallen by 1.5 million since the peak of SNAP participation in December 2012. SNAP spending is also falling. In November 2013, a temporary benefit boost that was part of the 2009 Recovery Act ended, and as a result, SNAP spending on benefits will fall by about $5 billion in Fiscal Year 2014. Over the first 9 months of Fiscal Year 2014 (October 2013 through June 2014), SNAP outlays were seven percent lower than the same period of Fiscal Year 2013 on a nominal basis. CBO predicts that this trend will continue, and that SNAP spending as a share of Gross Domestic Product (GDP) will fall to its 1995 levels by 2019.

[2] Congressional Budget Office, "The Supplemental Nutrition Assistance Program," April 2012, *http://www.cbo.gov/sites/default/files/cbofiles/attachments/04-19-SNAP.pdf*.

**SNAP Lessens the Extent and Severity of Poverty and Unemployment**

***Figure 2***

**Two-Fifths of SNAP Households Are Below Half the Poverty Line**




Source: USDA Household Characteristics Data, FY 2011.

SNAP targets benefits on those most in need and least able to afford an adequate diet. Its benefit formula considers a household's income level as well as its essential expenses, such as rent, medicine, and child care. Although a family's total income is the most important factor affecting its ability to purchase food, it is not the only factor. For example, a family spending ⅔ of its income on rent and utilities will have less money to buy food than a family that has the same income but lives in public or subsidized housing.

While the targeting of benefits adds some complexity to the program, it helps ensure that SNAP provides the most assistance to the poorest families with the greatest needs.

These features make SNAP a powerful tool in fighting poverty. A CBPP analysis using the government's Supplemental Poverty Measure, which counts SNAP as income, found that SNAP kept 4.9 million people out of poverty in 2012, including 2.2 million children. SNAP lifted 1.4 million children above 50 percent of the poverty line in 2012, more than any other benefit program.

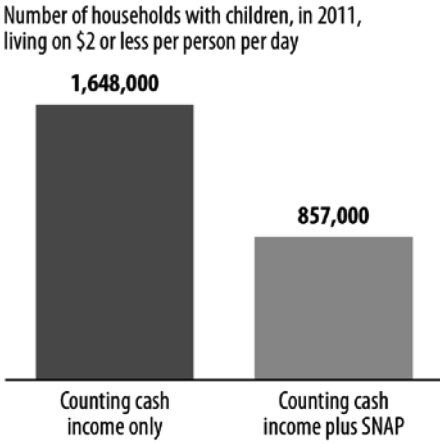
SNAP is also effective in reducing *extreme* poverty. A recent study by the National Poverty Center estimated the number of U.S. households living on less than $2 per person per day, a classification of poverty that the World Bank uses for developing nations. The study found that counting SNAP benefits as income cut the number of extremely poor households in 2011 by nearly ½ (from 1.6 million to 857,000) and cut the number of extremely poor children by more than half (from 3.6 million to 1.2 million).

SNAP is able to achieve these results because it is so targeted at very low-income households. Over 91 percent of SNAP benefits go to households with incomes below the poverty line, and 55 percent goes to households with incomes below ½ of the poverty line (about $9,895 for a family of three in 2014).

During the deep and prolonged recession and weak recovery, SNAP has become increasingly valuable for the long-term unemployed as it is one of the few resources available for jobless workers who have exhausted their unemployment benefits. In 2010, according to the Joint Economic Committee, over 20 percent of those who had been unemployed for more than 6 months received SNAP benefits. Nearly 25 percent of households in which someone's unemployment benefits ended were enrolled in SNAP.

***Figure 3***

**SNAP Cuts Extreme Poverty Almost in Half**



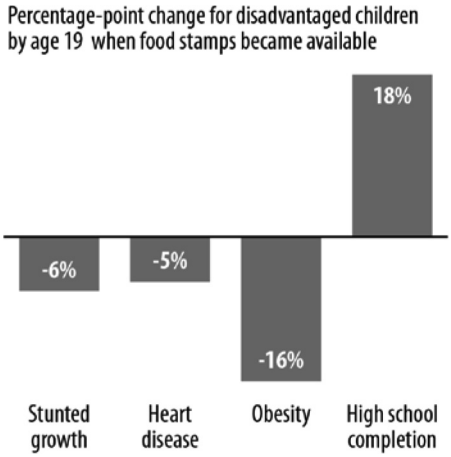

Source: Shaefer and Edin, "Rising Extreme Poverty in the United States and the Response of Federal Means-Tested Transfer Programs," National Poverty Center, University of Michigan, May 2013.

SNAP also protects the economy as a whole by helping to maintain overall demand for food during slow economic periods. In fact, SNAP benefits are one of the fastest, most effective forms of economic stimulus because they get money into the economy quickly. Moody's Analytics estimates that in a weak economy, every $1 increase in SNAP benefits generates about $1.70 in economic activity. Similarly, CBO has found that SNAP has one of the largest "bangs-for-the-buck" (*i.e.,* increase in economic activity and employment per budgetary dollar spent) among a broad range of policies for stimulating economic growth and creating jobs in a weak economy.

**SNAP Improves Long-term Health and Self-sufficiency**

***Figure 4***

**Children With Access to Food Stamps Fare Better Years Later**




Source: Hoynes, Schanzenbach, and Almond, "Long Run Impacts of Childhood Access to the Safety Net," National Bureau of Economic Research, November 2012.

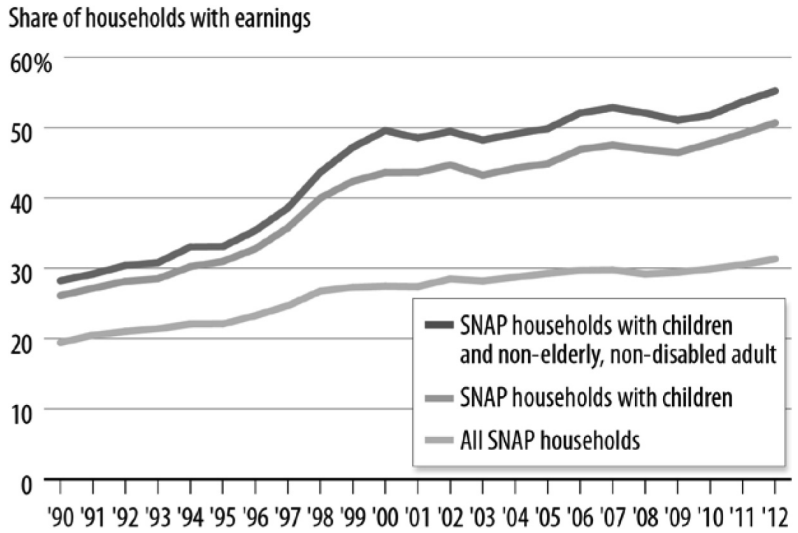
While reducing hunger and food insecurity and lifting millions out of poverty in the short run, SNAP also brings important long-run benefits. Programs that help poor families with children afford the basics may help improve longer-term outcomes for children by reducing the added stress that parents or children may experience if they cannot pay their bills or do not know there will be food on the table. While researchers are only starting to explore the relationship between safety net programs and toxic stress and its long-term consequences, the early findings are striking.

A recent National Bureau of Economic Research study examined what happened when government introduced food stamps in the 1960s and early 1970s and concluded that children who had access to food stamps in early childhood and whose mothers had access during their pregnancy had better health outcomes as adults years later, compared with children born at the same time in counties that had not yet implemented the program. Along with lower rates of "metabolic syndrome" (obesity, high blood pressure, heart disease, and diabetes), adults who had access to food stamps as young children reported better health, and women who had access to food stamps as young children reported improved economic self-sufficiency (as measured by employment, income, poverty status, high school graduation, and program participation).[3]

**Supporting and Encouraging Work**

***Figure 5***

**Work Rates Have Risen, Especially Among Households With Children and Adults Who Could Be Expected to Work**




Source: CBPP tabulations of USDA Household Characteristics data

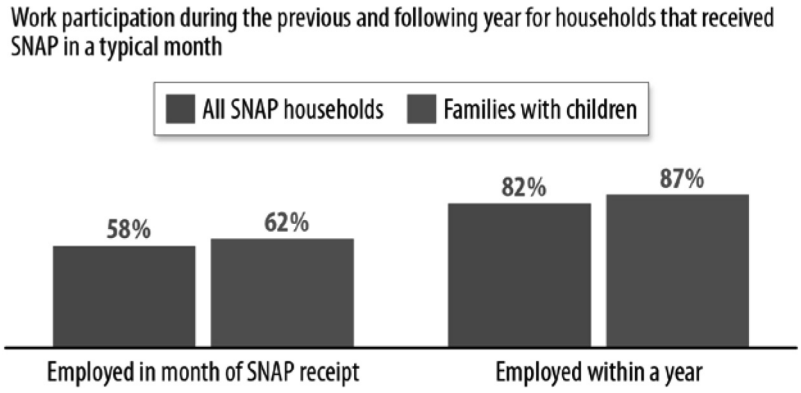
In addition to acting as a safety net for people who are elderly, disabled, or temporarily unemployed, SNAP is designed to supplement the wages of low-income workers.

The number of SNAP households that have earnings while participating in SNAP has more than tripled—from about two million in 2000 to about 6.9 million in 2012. The share of SNAP families that are working has also been rising—while only about 28 percent of families with an able-bodied adult had earnings in 1990, 55 percent of those families were working in 2012. The increase was especially pronounced during the recent deep recession, suggesting that many people have turned to SNAP because of under-employment—for example, when one wage earner in a two-parent family lost a job, when a worker's hours were cut, or when a worker turned to a lower-paying job after being laid off.

[3] Hilary W. Hoynes, Diane Whitmore Schanzenbach, and Douglas Almond, "Long Run Impacts of Childhood Access to the Safety Net," National Bureau of Economic Research Working Paper 18535, 2012, *www.nber.org/papers/w18535*.

***Figure 6***

**SNAP Households With Working-Age Non-Disabled Adults Have High Work Rates**




Source: CBPP calculations based on 2004 SIPP Panel data.

SNAP benefits help low-wage working families make ends meet. For a family of three with one wage earner who works at $10 an hour, SNAP increases the family's take-home income by roughly ten percent to 20 percent, depending on the number of hours worked.

In addition, the SNAP benefit formula contains an important work incentive. For every additional dollar a SNAP recipient earns, her benefits decline by only 24¢ to 36¢—much less than in most other programs. Families that receive SNAP thus have a strong incentive to work longer hours or to search for better-paying employment. States further support work through the SNAP Employment and Training program, which funds training and work activities for unemployed adults who receive SNAP.

Most SNAP recipients who can work do so. Among SNAP households with at least one working-age, non-disabled adult, more than half work while receiving SNAP—and more than 80 percent work in the year prior to or the year after receiving SNAP. The rates are even higher for families with children. (Almost 70 percent of SNAP recipients are not expected to work, primarily because they are children, elderly, or disabled.)

**SNAP Supports Healthy Eating**

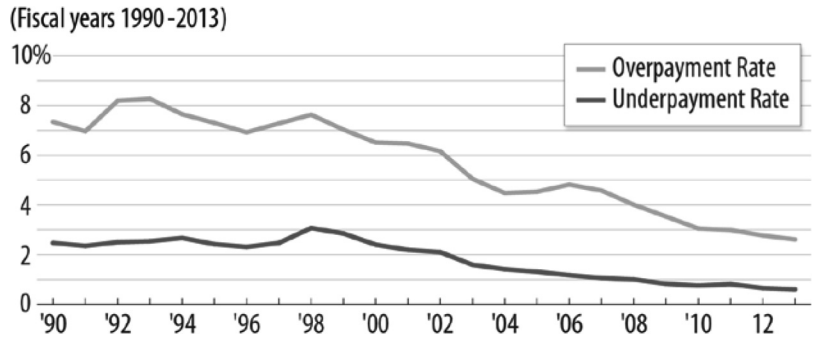
While I've focused so far primarily on SNAP's role in reducing poverty, responding to downturns, and supporting work, we should not forget that SNAP enables low-income households to afford a healthier diet. Because SNAP benefits can be spent *only* on food, they raise families' food purchases more than an equivalent amount of cash assistance would. Fruits and vegetables, grain products, meats, and dairy products comprise almost 90 percent of the food that SNAP households buy. In addition, all states operate SNAP nutrition education programs to help participants make healthy food choices.

**Strong Program Integrity**

SNAP has one of the most rigorous payment error measurement systems of any public benefit program. Each year states take a representative sample of SNAP cases (totaling about 50,000 cases nationally) and thoroughly review the accuracy of their eligibility and benefit decisions. Federal officials re-review a subsample of the cases to ensure accuracy in the error rates. States are subject to fiscal penalties if their error rates are persistently higher than the national average.

***Figure 7***

**SNAP Error Rates Are at an All-Time Low**




Source: Quality Control Branch, U.S. Food and Nutrition Service.

The percentage of SNAP benefit dollars issued to ineligible households or to eligible households in excessive amounts fell for the seventh consecutive year in 2013 to 2.61 percent, newly released USDA data show. That's the lowest national overpayment rate since USDA began the current system of measuring error rates in 1981. The *under*payment error rate fell to 0.6 percent, also the lowest on record. The combined payment error rate—that is, the sum of the overpayment and underpayment error rates—fell to an all-time low of 3.2 percent.[4] Less than one percent of SNAP benefits go to households that are ineligible. In other words, more than 99 percent of SNAP benefits are issued to eligible households.

If one subtracts underpayments (which reduce Federal costs) from overpayments, the net loss to the government last year from errors was about two percent of benefits.

In comparison, the Internal Revenue Service (IRS) estimates a tax noncompliance rate of 16.9 percent in 2006 (the most recently studied year). This represents a $450 billion loss to the Federal Government in 1 year. Underreporting of business income alone cost the Federal Government $122 billion in 2006, and small businesses report less than ½ of their income.[5]

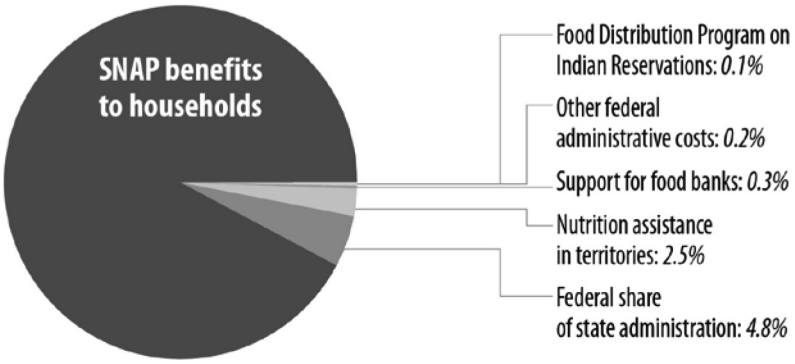
The overwhelming majority of SNAP errors that do occur result from mistakes by recipients, eligibility workers, data entry clerks, or computer programmers, not dishonesty or fraud by recipients. In addition, states have reported that almost 60 percent of the dollar value of overpayments and almost 90 percent of the dollar value of underpayments were their fault, rather than recipients' fault. Much of the rest of overpayments resulted from innocent errors by households facing a program with complex rules.

[4] See the Fiscal Year 2013 error rates: *http://www.fns.usda.gov/snap/quality-control*.

[5] For both SNAP and taxes the figures represent gross estimates (*i.e.,* before SNAP households repay overpayments, taxpayers make voluntary late payments, or consideration of IRS enforcement activities.) The net costs are somewhat lower. See: Internal Revenue Service, "Tax Gap for Tax Year 2006, Overview," January 6, 2012, *http://www.irs.gov/pub/newsroom/overview_tax_gap_2006.pdf*.

***Figure 8***

**92 Percent of Federal SNAP Spending Is for Benefits**




Source: U.S. Department of Agriculture, Fiscal Year 2013

Finally, SNAP has low administrative overhead. About 92 percent of Federal SNAP spending goes to providing benefits to households for purchasing food. Of the remaining eight percent, about five percent was used for state administrative costs, including eligibility determinations, employment and training and nutrition education for SNAP households, and anti-fraud activities. About three percent went for other food assistance programs, such as the block grant for food assistance in Puerto Rico and American Samoa, commodity purchases for the Emergency Food Assistance Program (which helps food pantries and soup kitchens across the country), and commodities for the Food Distribution Program on Indian Reservations.

**SNAP's Relationship With Other Programs**

Now that I have reviewed some of SNAP's most critical features, I'll discuss how SNAP is influenced by and influences other programs. I'll focus on two aspects of how SNAP relates to other Federal assistance programs:

- One, SNAP's benefit structure is highly responsive to other forms of assistance that households may receive; and
- Two, SNAP is a part of a larger health and human services system, and state administrators work to coordinate its delivery and program rules with other programs where appropriate. Other programs can rely upon SNAP's rigorous and high-quality assessment of a household's financial circumstances. These efforts can result in far more efficient application and enrollment systems as well as be the means to connect struggling families and seniors seamless to the benefits that can help them. Moreover, because SNAP's assessment of eligibility is robust, using its eligibility determination or verified information can increase program integrity and accountability in other programs.

**SNAP's Benefit Design Is Highly Responsive to Other Federal Assistance Programs**

Of course, people cannot survive solely on SNAP benefits alone. Many individuals and families whose circumstances qualify them for SNAP also meet the eligibility criteria for other programs. SNAP's low-income senior population typically has income from Social Security or Supplemental Social Security (SSI) benefits. Unemployed individuals may combine SNAP with unemployment insurance benefits to cover their monthly expenses. Working families with children who participate in SNAP may also receive subsidies to cover their child care costs from the limited funding of the Child Care and Development Block Grant (CCDF). Because SNAP is the program of last resort, it calculates food assistance benefit levels to households after capturing their available income to purchase food (while no other program may count SNAP as income). This approach enables it to wrap around the benefits of other safety net programs and to help fill in many of the gaps. SNAP targets its benefits to the households that have the fewest resources available to afford an adequate diet. Several features set SNAP apart among programs:

**Its national benefit structure is responsive to other programs.** Unlike many other benefit programs, which are restricted to particular categories of low-income individuals (such as senior citizens, people with disabilities, families with

children, veterans, or people who recently became unemployed), SNAP is broadly available to almost all households with low incomes. SNAP eligibility rules and benefit levels are, for the most part, set at the Federal level and uniform across the nation. These SNAP features ensure that poor families have adequate nutritional resources regardless of where they live. The amount of a family's SNAP benefits depend on its income, and as a result, SNAP benefits tend to be higher in states with below-average wages and cash assistance benefits. The program narrows disparities between low-income families and communities in poorer states and those in more affluent states. This aspect of SNAP is especially important to southern states and rural areas, where wages (as well as cash assistance benefits) tend to be lower. For example, cash assistance benefits for families with children that have no other income are about four times higher in states that make the highest cash assistance payments than in the lowest-payment states. When SNAP benefits are added in, this disparity narrows to less than 2-to-1.

**It reflects other programs' income to households.** SNAP counts cash income from all sources, including earnings from a job as well as unearned income, such as cash assistance, Social Security, unemployment insurance, and child support. Thus, households that qualify for and receive benefits from other Federal or state programs receive lower SNAP benefits than households that have no other cash income available to purchase food. This helps to ensure, for example, that a family with a single parent who loses her job and cannot find a new job before her unemployment insurance ends still has resources available to purchase an adequate diet for her children.

**It allows deductions to help ease inequities.** SNAP also targets benefits by allowing deductions from income for the cost of certain essential household expenses (such as rent and child care) before determining benefits. For example, although earning a low income makes many workers eligible for child care and housing assistance, only a small number are able to participate in these programs because of capped Federal funding.

Consider two families that live next door to each other: if one receives a housing voucher or a subsidy to help afford child care costs but the other does not, the latter family may have to spend more than ½ of its income on its shelter or child care expenses. As a result, that family will have considerably less money available to buy food. SNAP helps to partially address this inequity by allowing the household without the subsidy to deduct a portion of the housing or child care expense from its income and receive a higher SNAP benefit. While this targeting of benefits adds some complexity to the program, it is critical in focusing assistance more effectively on those in greatest need.

To be sure, there are some exceptions to this framework to eliminate inequities that can arise from counting all sources of income, such as a grant to a third party meant to cover job training tuition. And, in other cases, Congress has explicitly excluded certain sources of income, such as special combat pay for military personnel, for public policy reasons. Nevertheless, the Agriculture Committees have endeavored for over 40 years to establish a SNAP benefit structure and calculation that is highly sensitive to family circumstances, including other forms of assistance.

**Efforts to Coordinate SNAP With Other Programs**

Part of our work at the Center on Budget and Policy Priorities is to work with states on improving the delivery of SNAP. We respond to states' questions and requests for technical assistance on SNAP rules, best practices for business operations and ways to improve access to SNAP by eligible people. Because SNAP has a significant presence within the health and human services delivery system, states' questions and concerns are not limited to SNAP policy and operations. They also want information and ideas about how to improve their overall operations and service delivery, including other programs such as Medicaid, child care, cash assistance through the Temporary for Needy Families (TANF) block grant and other programs. My colleagues and I have spent a great deal of time studying how SNAP interacts with other programs at the state and local level and the ways that states seek to coordinate SNAP with the array of services that they offer.

Many states have made progress over the last 10 years in coordination or seamless service delivery *across* programs (as opposed to within a single program). Although, some states had coordinated policies on the books, too often the on-the-ground procedures needed to operationalize these policies did not exist. In addition, few if any states had an effective, data-based system for determining whether families were connected to the full range of programs for which they qualify.

Lack of cross-program coordination undermines states' efforts to operate efficient systems. It also reduces overall support for families. Because they must navigate a complex and inefficient web of systems, families often are unable to secure the full

package of benefits for which they are eligible. This undermines the safety net's ability to support struggling families and seniors. For example, children are much likelier have better outcomes when they have access to health coverage and SNAP's nutrition benefits for a comprehensive set of health supports.

Consider a family with low earnings that is eligible for children's health coverage, SNAP, and child care. Despite the fact that these programs often serve the same families and require very similar enrollment information, under the worst case scenario a struggling family would have had to apply and renew benefits via three separate processes that are not very synchronized. Further, busy state workers in these three programs would spend time duplicating each other's' efforts. More typical, although still highly problematic, was a model where households would apply for several benefits through a single application process and then be required to keep separate workers representing the different programs appraised of their circumstances. Often, the household would also have to renew their eligibility through separate and redundant processes.

While these approaches to service delivery still exist, they are no longer the norm. States have worked very hard to break down the silos and redundant administrative systems among programs. They have been motivated by several reasons:

- As a result of the recent downturn, millions more families have lost income or are now out of work altogether. And many of these families have turned to their state governments for help through programs like unemployment insurance, SNAP, and health coverage. In addition, more people are eligible for health coverage through Medicaid and the Children's Health Insurance Program (CHIP) because of the Affordable Care Act (ACA). But states haven't had more resources to deal with the increased demand. To the contrary, human services offices' budgets and staff were cut as millions more people have walked through the doors. Despite these incredibly trying circumstances, states have managed to serve these new families in need, and several states have actually improved their service delivery through the downturn.
- Technology offers new opportunities. In a paper-bound system, it was often hard or administratively burdensome to share information across programs. Now many states have new options to work quickly. For example, today most states use document imaging systems as a means to save and file household verifications. They also offer call centers where clients can call and easily report a change in their situation and need for benefits. This technology can make it easier for participants and for state caseworkers to update multiple programs for new information about household circumstances.[6]
- Finding effective ways to leverage state resources to achieve more is in the states' interest. When state agencies spend less staff time on processing eligibility, they can redeploy those resources to more important tasks like connecting families to work and supporting families who need more intensive supports.
- Making it easier for eligible low-income families and seniors to access all of the benefits for which they are eligible helps states' struggling citizens. Making sure that eligible individuals can access the help that they need will help to ensure their financial stability. Many states believe that families can better spend their time looking for work (and staying in work) as well as address other family needs when they are not constantly at the local human services office standing in line and filling out redundant forms. As the body of evidence regarding the long term benefits of key health and human services programs emerge, it becomes even more compelling to connect eligible families and individuals to a package of these supports.

*SNAP's Role in Cross-Program Coordination Efforts*

SNAP has played a major role in these efforts. Federal, state, and local policymakers who operate other programs appreciate many of SNAP's features that I described earlier. They understand SNAP's significant role in the broader health and human services world. Some of the key contexts that state and local leaders consider as they assess SNAP's role in their broader systems:

- **Individuals eligible for SNAP have relatively low income.** As a result, they are often eligible for other Federal and state benefits. For example, in vir-

[6] For more information on how states are leveraging new technology with respect to health and human services programs, including SNAP, see "GAINING GROUND: A Guide to Facilitating Technology Innovation in Human Services," by Freedman Consulting, *http://tfreedmanconsulting.com/documents/GainingGround_FINAL.pdf*.

tually all cases, children who participate in SNAP will also be financially eligible for health coverage under Medicaid. And, for programs where states set the income eligibility rules such as child care subsidies and the low-income heating and energy assistance program (LIHEAP), SNAP participants typically have incomes well below the eligibility limits established by states. To be sure, SNAP participants will not necessarily qualify for these benefits. Some programs such as WIC or child care have additional non-financial eligibility criteria. In other cases, the programs do not receive sufficient funding to provide services or benefits to all those who qualify. Nevertheless, given that a large number of very low-income people participate in SNAP, it is a logical program to consider for basic coordination purposes.

- **States co-administer SNAP with other major health and human services programs.** According to USDA's most recent State Options Report from 2012, more than 40 states co-administer SNAP and Medicaid.[7] Even more states co-administer SNAP and cash assistance under TANF. In addition, many of the agencies that administer SNAP also administer other human services programs such as child care, LIHEAP, job training programs as well as state and local services targeted at low-income people. This means that SNAP co-exists with other programs in state computer systems, within state policy manuals, in staff trainings, and on forms and notices. Finding efficient ways to coordinate the administration of these programs makes solid operational sense from a state and local perspective.

  States seek new approaches to be more efficient and effective in their business operations and administrative costs. As the state human services agencies build computer systems, train staff, and build business operations to screen and enroll eligible low-income people into the array of programs that they offer, they look to solicit information from applicants once to assess their eligibility for the programs and services that the agency provides.
- **SNAP rigorously assesses eligibility.** As noted above, SNAP does a very thorough review of a household's eligibility. SNAP state agencies are required to verify household circumstances through paper documentation and third-party data matches. Overall, the assessment required under Federal law for SNAP far exceeds the requirements laid out in any other program. SNAP demands that states have relatively sophisticated means to process eligibility and verify a household's circumstances. The quality and caliber of SNAP eligibility assessments is well understood within the health and human services arena. Not only can other programs rely upon the quality of SNAP's eligibility findings, in many cases, using information that has been verified by SNAP will increase the integrity of the program importing the information.

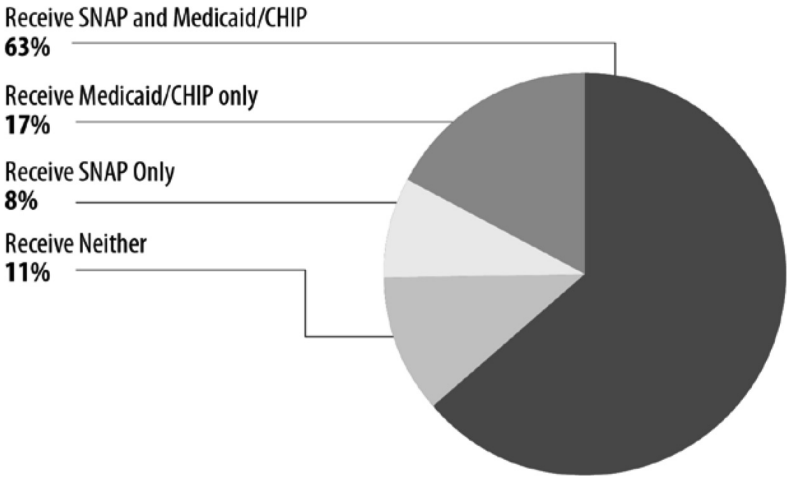
Despite its strengths, SNAP isn't a perfect partner. SNAP is a complex program with exacting Federal standards. Because SNAP is a program of last resort and its benefits are fully financed by the Federal Government, the program rules target benefits to the neediest households with a very detailed current picture of their situation. Federal rules require quite a bit from households and states to ensure that the determination of eligibility is accurate and fair. As a result, SNAP's complicated rules exceed what other programs require or desire. States do not typically wish to import all of SNAP's rules into other programs. Instead, they find that they can import individual findings from SNAP, such as an income calculation, to other programs.

[7] See program integration table on page 23 *http://www.fns.usda.gov/sites/default/files/10-State_Options.pdf*.

*Examples of Cross-Program Coordination*

***Figure 9***

**Many Children Likely Eligible for SNAP and Medicaid/CHIP Fail To Receive One Or Both Supports (2011)**




Note: Program participation among citizen children with family income below the poverty level and no reported health insurance. The data should be viewed with caution. See footnote 11.

Source: CBPP analysis of a Survey of Income and Program Participation.

One of our current efforts to support states' efforts to improve program integration is through the Work Support Strategies (WSS) Initiative. The WSS Initiative is a foundation-supported effort led by the Center for Law and Social Policy and the Urban Institute. The Center on Budget and Policy Priorities leads the technical assistance effort to states. The project is motivated by the value public benefit programs can provide to working families and the belief that the states and localities administering these programs can improve how eligible families access and retain these benefits. Under the project, core work support programs are defined as SNAP, health coverage, and child care.[8]

Many eligible people, particularly in working families, do not participate in the core work supports for which they are eligible. In some instances, this is simply due to limited funding for the service. For example, although earning a low income makes many workers eligible for child care and housing assistance, only a small share are able to participate in these programs because of capped Federal funding. The U.S. Department of Health and Human Services (HHS) estimates that Federal funding for child care subsidies served fewer than 20 percent of potentially eligible families in 2009.[9]

Also, families often miss out on programs that do, in fact, have sufficient funding to enroll all eligible people. For example, USDA estimates that SNAP served only 68 percent of people in eligible working families in 2011. The Urban Institute found that four million children who had no health insurance in 2011 were eligible for Medicaid or CHIP.[10] Data from national surveys confirm that children who are likely eligible for SNAP and Medicaid are not always enrolled in both. Virtually all U.S. citizen children in families whose annual income is at or below poverty and who do not report having health coverage should be eligible for both Medicaid/CHIP and

[8] For more information about WSS, see: *http://www.urban.org/worksupport/*.

[9] "Estimates of Child Care Eligibility and Receipt for Fiscal Year 2009," U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, August 2012, *http://aspe.hhs.gov/hsp/12/childcareeligibility/ib.cfm*.

[10] "Medicaid/CHIP Participation Rates Among Children: An Update," Urban Institute, September 2013, *http://www.urban.org/uploadedpdf/412901-%20Medicaid-CHIP-Participation-Rates-Among-Children-An-Update.pdf*.

SNAP. *Figure 9*[11] shows that nearly 40 percent of children likely to be eligible for both SNAP and health coverage are not receiving both programs.[12]

Our WSS grantee states (Colorado, Idaho, Illinois, North Carolina, Rhode Island, and South Carolina) have taken on the challenge of creating and implementing a plan to streamline, integrate, and improve the provision of work support benefits through their SNAP, Medicaid, and child care programs. Each state committed to the goal of increasing enrollment by eligible people in these core work support programs. While most states hope their efforts will also reduce the burden on caseworkers and administrative costs in these systems, all are motivated to improve the lives of the families they serve. These states are undertaking this work at an exciting time. The ACA changed the way that states must assess Medicaid eligibility, requiring states to rework their old eligibility rules. In addition, the ACA sets new standards for customer service and the means of doing eligibility determinations, which has required many states to upgrade their technology and offer new services such as online applications and phone service. As states implement these important changes and upgrades in Medicaid, they are actively looking for ways to leverage improvements in their overall systems.

Illinois Health and Human Services Secretary Michele Saddler outlined the state's transformation of several key programs—like SNAP (food stamps), Medicaid, and child care—to help low-income families keep and maintain jobs in a hearing before the Ways and Means Committee last summer. Illinois is simplifying and aligning policies across programs and investing in new technology to make it easier for families to apply and easier for the state to verify their information. As Saddler explained:

> *"When I began, our benefit delivery system was broken. Families had to apply multiple times to get the assistance their family desperately needed. They had to take hours or even days off of work to sit in a local office to get help, potentially losing the very work we encourage. Our focus has been on finding and creating efficiencies in this system, seeking a better environment for customers and staff. A more efficient and accessible system leads to greater stability for families and ultimately saves the government future costs of benefits and administration."*[13]

Through both our everyday work with states and the WSS Initiative, we have observed many ways other programs can use SNAP to streamline their own administrative processes as well as improve the client experience.

- **States and other program operators have implemented the federally mandated connections between SNAP and other programs.** Congress has made the determination that, in some cases, enrollment in SNAP is sufficient evidence of financial eligibility for another program. For example, all children who participate in SNAP are deemed automatically eligible for the free school meals program. Pregnant and post-partum women and young children receiving SNAP are income eligible for the Special Supplemental Nutrition program for Women, Infants, and Children (WIC) although they must still meet the program's criteria for nutrition risk to qualify. In these cases, Congress deemed that school meals and WIC must rely upon the SNAP income determination because it is so reliable. Moreover, households who apply for SNAP are self-identi-

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[11] The data for this analysis are from the Census Bureau's Survey of Income and Program Participation (SIPP) for calendar year 2011. We limited the analysis to U.S. citizen children with incomes below the Federal poverty level because these individuals are very likely to be eligible for both Medicaid and SNAP. The data should be interpreted with caution, as the SIPP significantly undercounts participation in Medicaid and SNAP. In 2009 the number of children reported in the SIPP as receiving SNAP is only about 75 percent of the number of children thought to have actually received SNAP based on SNAP administrative data. USDA finds that SNAP reaches about 85 percent of eligible children, rather than the 67 percent identified in this SIPP analysis. Similarly, the SIPP does not include about ⅓ to 40 percent of the children who receive health coverage through Medicaid or CHIP.

[12] A recent Urban Institute study based on a different national survey (the American Community Survey) found that in 2008 about *15 percent* of children without health insurance coverage but eligible for Medicaid or CHIP were in households that received SNAP. This difference demonstrates that while there appear to be significant numbers of families that do not receive all the benefits for which they qualify, national survey data have significant limitations which may make it difficult to obtain accurate figures. See Genevieve M. Kenney, Victoria Lynch, Allison Cook, and Samantha Phong, "Who And Where Are The Children Yet To Enroll In Medicaid And The Children's Health Insurance Program?" *Health Affairs,* October 2010, vol. 29 no. 10, 1920–1929.

[13] Secretary Michelle Saddler's testimony before the House Committee on Ways and Means Subcommittee on Human Resources, July 31, 2013, see: *http://waysandmeans.house.gov/uploadedfiles/michelle_saddler_testimony_hr073113.pdf.*

fying themselves as needing food assistance. Connecting these children and pregnant women to other programs that could help meet their nutrition needs is a sensible approach.

The new Work Opportunity Investment Act will allow individuals who participate in SNAP (among other programs) to be automatically determined to meet the income requirements for services. Other Federal programs, such as Federal Financial Student Aid programs, allow applicants to skip certain portions of their needs assessments if the applicant or his or her family participate in SNAP. Program participation is considered a sufficient indication of financial need under the programs' eligibility rules.

- **States and local governments use SNAP enrollment and information where they have the flexibility to set the rules.** States can set the income eligibility guidelines for certain programs such as child care assistance through the Child Care Development Block Grant (CCDF) and energy assistance through LIHEAP. If states establish income eligibility rules equal to or above the SNAP income eligibility limits, they can then use a household's enrollment in SNAP as sufficient evidence that the family meets the program's income eligibility limits.

Idaho, for example, recently raised its CCDF income eligibility to 130 percent of the Federal poverty line, and indexed it to rise with inflation—thus, aligning the cutoff with SNAP and ensuring that the alignment would stay in force over time.[14] Programs like child care subsidies and LIHEAP are often run by local community action agencies that do not have the resources to invest in sophisticated computer eligibility systems with built-in third-party data checks. By using SNAP's income determination, states ensure a high-quality, accurate assessment of need. Other entities that target their resources to low-income individuals or households also use SNAP enrollment as evidence of need. For example, school districts may elect to waive school fees for individuals who participate in SNAP.

It's worth noting again that importing a SNAP income eligibility determination does not necessarily qualify an individual for other programs' benefits. Often there will be other eligibility criteria and most human services programs do not have funding to meet demand.

States coordinate eligibility and enrollment processes with SNAP to eliminate redundant requests. Where states cannot or do not wish to align other programs' income eligibility rules with SNAP (*e.g.,* states often set much higher income eligibility guidelines for child care subsidies because they wish to provide child care subsidies to low- and moderate-income households), they may seek to coordinate or to align the processes by which they determine that applicants are eligible. Approximately ⅓ of states package SNAP online applications with at least four other programs. This means that people seeking more than one form of assistance only need to fill out a single application. Similarly, workers need to process only one application and the supporting verification.

Income verification is another area where the eligibility rules might differ but states could align the process. For example, one program might ask for the four most recent weeks of income while another asks for the last 30 days of income and a third asks for monthly income. Instead, a state might choose to set a different income eligibility limit for SNAP and another program but use the same income verification standards against which they measure eligibility. Because SNAP is often the most significant program in terms of size and paperwork and verification demands as well as quality control reviews, states often align other programs to its standards. New Hampshire and Oklahoma are two states that have standardized the types of verification they seek from families applying for both SNAP and child care.[15]

States can also use verified data in the SNAP record to support eligibility determination and redeterminations in other programs such as Medicaid or child care. This approach, often called an *ex-parte* review, allows families' benefits in other programs to be proactively renewed using current information from another program such as SNAP. The agency looks at other systems before seeking any information from the client at renewal. If a child care worker, for example, checked if a family was enrolled in SNAP, they could use SNAP data to renew income eligibility for child care benefits and would need to gather only the addi-

[14] "Confronting the Child Care Eligibility Maze: Simplifying and Aligning with Other Work Supports", by Gina Adams and Hannah Matthews, December 2013, p. 31, *http://www.urban.org/UploadedPDF/412971-confronting-the-child-care.pdf.*

[15] *Ibid,* p. 38.

tional relevant information on work status or other unique child care eligibility elements.[16]

To be sure, perfect alignment is rarely achieved and often is not desirable. First, SNAP's rules do differ from other programs'. The SNAP household definition is based on which group of individuals living together purchase and prepare food together. This understandably differs from which group of individuals could be expected to contribute to the health care costs of others. Moreover, SNAP's eligibility standards are rigorous. Households are required to provide extensive documentation of their circumstances, participate in an eligibility interview, report significant change in their circumstances as they arise, and have their eligibility reassessed on a regular basis. Other programs do not have the necessary administrative funding to pursue such an approach, nor would it be appropriate for them to do so given their structure and design.

As states work to better coordinate their systems, they are discovering that there is often far more flexibility in Federal programs to align and coordinate, or cross-leverage, information than they thought. Often disconnects are the result of their own making or a lack of understanding of the flexibility given to them by the Federal Government. Other times, differences between programs are by design and originate from the programs' different goals, as described above in the household definition example. And, there are times when states discover differences between programs that raise reasonably questions. For example, several states have asked if they can use employer records to verify household income via states' unemployment records for households with stable circumstances. Medicaid allows and encourages states to use third party data matches to verify income even if the information is a little dated. SNAP historically has required current information even from households with very stable employment arrangements. In such a case, the Federal Government will permit waivers from Federal SNAP requirements to test whether allowing SNAP to use other programs' rules is appropriate and cost effective. And USDA and HHS are soliciting additional ideas from states where sensible alignment opportunities exist.

**Looking Ahead: SNAP's Relationship to Other Assistance Programs**

I appreciate the Subcommittee's effort to delve into the relationship between SNAP and other Federal assistance programs. SNAP plays a major role in the broader arena of health and human services programs. It is both responsive to and has a significant impact on many programs outside of the Committee's jurisdiction. I hope that my testimony has given you some sense of how your work influences other programs through SNAP. The state agencies and SNAP caseworkers that operate and implement SNAP must think about the program in the context of the health and human services systems they are running. It's helpful to consider SNAP's environment and program operators' perspectives as we strive to improve the program and further its positive impact on struggling individuals and families.

There can be a tension between remaining true to SNAP's goals of addressing food insecurity and hunger and harmonizing and coordinating SNAP policies with other Federal assistance programs. If SNAP aligned perfectly with other programs, it would no longer be SNAP. Many of its unique features are by design and contribute to its success. As you consider options to improve coordination, it is important that those proposals not undermine SNAP's strengths as a food assistance program targeted to individuals and families with the least ability to purchase food. Proposals to sweep away some of SNAP's key features or that would shift benefits away from food assistance to other purposes run afoul of the program's goals and proven success.

Section 4016 of the 2014 Farm Bill is an example of a positive policy change to help harmonize SNAP with other programs. That provision requires that USDA work with other Federal agencies to create data exchange standards consistent with other Federal assistance programs. This will facilitate the ability of programs (and Federal and state governments) to share data across programs. Such standardization is expected to help improve program integrity and to improve our ability to assess program performance.

USDA can do more to assist states' efforts to administer SNAP as part of the larger health and human services system. First and foremost, USDA's oversight and policy development would be strengthened if its staff developed more expertise in other Federal assistance programs. When SNAP policy is inconsistent with other major programs such as Medicaid, it would be helpful for USDA to be aware of those differences and to flag them for states. (The same holds true for HHS.) State

[16] *Ibid,* p. 40.

and local governments, even individual caseworkers, ought not to be left on their own to disentangle differing Federal rules and regulations. It seems reasonable for the Federal agencies to navigate what we ask their state counterparts to manage. That having been said, USDA has taken steps to engage SNAP agencies in a conversation about how the recent changes in Medicaid could be affecting SNAP operations at the local level. They can do more here, and I encourage them to do so.

As states undertake innovative and effective cross-program coordination efforts, we ought to seek to share those best practices across states. The Work Support Strategies Initiative offers such an opportunity and we plan to do more dissemination about the project in the coming year.

I also believe that the Federal Government could do more to assess how well Federal and state agencies are doing with respect to connecting eligible low-income people to the package of key supports for poor children, working families, and seniors and people with disabilities. Low-income people will likely fare better if they can count on the help of SNAP, health coverage, and other work supports—programs that we know work and that improve the long-term outcomes of those who receive them. Policymakers need information about how well states connect eligible individuals to these programs as a whole. We can learn from states that do well and identify barriers in Federal rules or local practice that may impede states from comprehensively addressing their residents' needs.

Finally, I did not spend time in my testimony on the interaction between SNAP and the major Federal entitlements for seniors and people with disabilities—Social Security and Medicare. Current SNAP law instructs the Social Security Administration (SSA) to inform Social Security and SSI applicants and participants about SNAP benefits and streamline the SNAP application process for them. USDA reimburses SSA for these activities. As low-income senior citizens have the lowest SNAP participation rates of any demographic group, but very high Social Security and Medicare participation rates. I believe that more could be done to assist poor eligible seniors to enroll in SNAP at SSA offices. A future oversight hearing or more work by USDA to explore how this process could be improved could go a long way to improving the food security of low-income senior citizens and people with disabilities.

**Conclusion**

SNAP is an efficient and effective program. It alleviates hunger and poverty and has positive impacts on the long-term outcomes of those who receive its benefits.

SNAP is highly targeted, making it very sensitive to the other benefits that families receive. SNAP either counts their income or recognizes households that receive benefits from other programs by generally providing less assistance to those families than families who do not receive other forms of assistance.

And, SNAP has exacting standards with respect to eligibility and administrative requirements. This makes it a good fit for states to looking to use its findings for other programs. Such integration increases efficiency by reducing administrative costs and can help eligible families receive the help that they need with fewer transaction costs.

The CHAIRMAN. Thank you, Ms. Dean. Your timing is immaculate.

Ms. DEAN. I practiced.

The CHAIRMAN. The chair would like to remind the Members that they will be recognized for questioning in the order of seniority for Members who were present at the fall of the gavel, and after that Members will be recognized in the order that they arrived.

And recognizing myself for first questions, I would turn to Ms. Squier. And I believe in your testimony the time didn't allow you to get to a point of an exhibit that is in your written testimony. That is a directive, dated September 30, 2009, from the USDA Food and Nutrition Services. Could you explain that directive and the impact that it has had on, let's say, the policy in New Mexico and perhaps other states that you might be aware of?

Ms. SQUIER. Yes, sir, Mr. Chairman and Members. I have worked in many states, five states and the Federal Government. And in Texas in 2009 we were told by the Federal Government that we would now be acknowledged, not quite rewarded, but acknowledged for adding people to the food stamp rolls. This is what USDA FNS

wanted us to do. And I did actually attend in New Orleans an award ceremony for Texas for adding a number of people to the rolls. I was slightly horrified about that.

We are doing the same thing in New Mexico and I believe every other state. And I think that the push—and I will be fair, the push has gone through more than one Administration—the push to put people on food stamps has caused an incredible rise. And to be acknowledged by the Federal Government to do so has caused more people to join onto the Food Stamp Program.

The CHAIRMAN. And, Ms. Squier, the language that I see in this memo says, "We encourage you to continue promoting expanded categorical eligibility as a way to increase SNAP participation and reduce state workloads."

Ms. SQUIER. Mr. Chairman, that is exactly true.

The CHAIRMAN. That has had a significant impact across the country as far as your experience is concerned?

Ms. SQUIER. Yes, sir.

The CHAIRMAN. And, Mr. Doar, you have dealt with large claims in a large population state and have noticed actually a significantly high degree of professionalism come out of that arena. I think you are in the crucible a little harder than many others. And so from that standpoint I would ask you, if you had a limited budget to work with, with regard to SNAP benefits, and you had to get that carved down to something that was manageable, what would be your approach with regard to categorical eligibility? Do you have any creative things like fingerprints? Any other items you might want to discuss that could——

Mr. DOAR. Sure. The State of New York, after I left, made the decision to accept categorical eligibility with regard to the asset test. And I had felt as the City Administrator that that was a mistake, because I felt that it allowed people who had assets that could be available to help them in times of need to avoid reporting those assets. And we had an experience where we felt, by not investigating assets and by not being able to inquire about assets, people were more likely, who did have sufficient means and would not be eligible for the program based on income, it was easier for them to get on the program.

So that would definitely be something that I would speak about. In my testimony, I suggested it should be higher than the asset test used to be, but it should not be unlimited assets.

The CHAIRMAN. And with regard to other categorical eligibility, with regard to TANF for example?

Mr. DOAR. I think that in any program where you say to someone, you are automatically eligible based on the fact that you have read a brochure or that you have been given a brochure, it seems to me that sends a kind of message that isn't really the way we want our programs to be run. So I wasn't comfortable with that categorizing. But the thing I was most concerned about was the asset test.

We did have finger imaging as an effort to protect against duplicate benefit issuances. Mayor Bloomberg felt very strongly that it was an effective measure. It was an effective measure in New York City. We still have it for welfare applicants for TANF. But Governor Cuomo, under some pressure from the Federal Government,

decided that we could no longer do that. And it wasn't so much that we caught people as much as we deterred people from applying for benefits in multiple jurisdictions.

The CHAIRMAN. What if we went down a path that might be a block grant on a per capita basis or perhaps a cost-share so the states had some skin in the game?

Mr. DOAR. Well, one of the characteristics is that given the current benefit levels, a block grant of SNAP calculated based on the current benefit amounts going out to states would be quite high. So if the country is heading into a stronger recovery where the need for these sorts of benefits was reduced, the states would have dollars freed up and they should be required to spend it on social services programs, but they could spend more effectively than a stipend for food.

The CHAIRMAN. Thank you, Mr. Doar. I thank the witnesses. And now I turn to Ranking Member Fudge for her questioning.

Ms. FUDGE. Thank you, Mr. Chairman. But because I know the time is fleeting and we do have another series of votes, I am going to yield at this point to Mr. McGovern and I will ask my questions at the end.

Mr. MCGOVERN. Thank you, Mr. Chairman. I want to thank the Ranking Member.

I just want to make sure that we understand the context here before I go into my comments or my questions. I mean, we live in a country where there are 50 million people who are hungry or food insecure. Close to 17 million of them are kids. So we have a real issue here with people living in the United States, the richest country in the history of the world, that are vulnerable and need some support.

And, Ms. Squier, when you said that people who have millions of dollars in the bank are eligible for SNAP, if that is the case in New Mexico someone ought to be fired, because that is not the case anyplace else. I don't know too many millionaires who are dying to get on SNAP. I don't know why they would. The average benefit is about $1.40 per meal, per day. So it is not something that I think people aspire to.

In terms of categorical eligibility, we all ought to keep in mind that this was a conservative idea proposed about by John Kasich as a way to reduce some of the costs to states and to make it easier, quite frankly, for people who are eligible for a variety of programs to be able to get them. Being poor is hard work, and sometimes it is a bureaucratic maze to be able to find out what you are eligible for. So this was supposed to streamline the process.

So before we throw categorical eligibility out the window, let's understand what it is about. And I will yield to Ms. Dean for a comment.

Ms. DEAN. I just want to throw in a few of the facts about categorical eligibility. I think there has just been a little too much rhetoric.

This Committee considered repealing categorical eligibility over the last year or 2, and the estimate that CBO gave you showed that it would reduce baseline spending and remove people from the program equal to about two percent. So there is no way that categorical eligibility is the cause or the fuel for caseload growth.

I think another important thing to point out is while states under the option have the flexibility to adopt a less restrictive gross income test, meaning relaxing the rule of about $2,200 a month gross income for a family of three, to slightly higher so that a working mom paying a huge amount of her income in rent and child care may qualify. However, she still has to go through a rigorous assessment of eligibility and qualify after her disposable income is counted.

Mr. MCGOVERN. I appreciate you for clarifying that.

And, Mr. Doar, I agree with you. This is not a perfect program, and I think we need to look at ways to better help people transition from poverty into independence.

I think the benefit is, in my opinion, not generous enough. People who are on SNAP usually end up in food banks because it is not this overly generous benefit.

The majority of people who are able to work actually do work. I am going to give you an example. I spent a night at a homeless shelter in Worcester, Massachusetts, about a month ago, a family homeless shelter. The majority of adults in that homeless shelter worked. They were making minimum wage, just enough so their benefits began to get cut, they hit this cliff, but not enough to put a downpayment on an apartment and afford to pay rent in Worcester, Massachusetts. So maybe we ought to be talking about making work pay a little bit better and maybe increase the minimum wage.

From 2009 to 2014, the cost of milk increased by 17 percent, but the minimum wage hasn't changed. From 2009 to 2014, the cost of eggs increased 23 percent, but the minimum wage hasn't changed. So, I mean, part of what we ought to be talking about, as well as kind of streamlining the program, is making sure that people are getting an adequate benefit to put nutritious food on the table for their families.

And I am curious, there has been some criticism of some large employers who pay their workers low wages knowing that even full-time employees will qualify for SNAP. Does anyone have an opinion on this? Is the Federal Government subsidizing SNAP?

Mr. DOAR. Well, I would just address a couple of questions about this rigorous application process. The SNAP application process has changed a lot in the last 10 years. And to the extent that it is not quite the number of rules, the number of recertification periods, the ability to do interviews, not face to face, but over the phone or over the Internet, have made the process much easier to be accurate.

So if you don't have a lot of rules that you have to follow in order to be sure you are giving benefits to people who are really eligible, then it is easier not to break any of those rules. So I want to caution you, I was proud of our QC record in New York City and New York State as well, but some of it came because the job got easier, because the rules were lessened and reduced.

Mr. MCGOVERN. Yes, just one final thing. As a Member of Congress who does a lot of casework, a lot of people who fall on hard times end up coming to us because they can't quite figure out the system. So maybe it has gotten easier, but I will just tell you that it is not easy for a lot of poor families when they find out that

someone has lost a job and they can't afford their rent or they can't afford to pay their heating bill.

Mr. DOAR. There is a balance, there needs to be a balance.

Mr. MCGOVERN. It is a balance, and I think we ought to strike that balance. I just worry about the fact that when we talk about these issues, sometimes we end of demonizing these people—and I am not saying you are, I am not saying you are, at all—but sometimes we end up demonizing people who are poor, who desperately do not want to be poor, and who are working.

The CHAIRMAN. The gentlelady's yielded time has expired. You will be allowed, though, to answer the question, Mr. Doar.

Mr. DOAR. We expanded benefits during the time that I served both at the state and city, maybe greater than any other constituency. I believed in helping people. But the purpose was to help people who also could get into work. And often what we found is that people were not reporting earnings when we expected they would, and that is a problem that we have to address.

The CHAIRMAN. The gentlelady's yielded time has expired.

I turn now to the gentleman from Georgia, Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. And before I get into my questions, I want to say thank to you a group back home in the district that I represent in Thomasville and Valdosta; they are also in Albany and Douglas. It is the Second Harvest Food Bank, 13,000 square miles, 30 counties that they operate in where they take the vegetables and the bread and the other things from grocers who maybe aren't quite up to standard for selling and make sure that they are able to help get that to many of the people who need it the most in our district.

As we talk about this issue, there are a lot of people out there who are trying to resolve this issue for Americans across the country, and it is a serious issue. And, Mr. McGovern, I certainly appreciate your passion for it. I know we differ on some ideas of how to resolve it, but I do agree with you that there are people out there that need the help, and there are a lot of people that are out there working to help them. And I do appreciate your passion on it.

The reason, as we talk about the two percent, if you will, whether it is two percent or five percent, the challenge we have right now to me is the integrity of the system. And when you allow the integrity to start to slide through, whether it is categorical eligibility or whether it is turning your head and looking the other way, and I would suggest that even with the states, some of the states, what they are doing is essentially state-sanctioned gaming of the system, then any of the programs lose support of the American citizen, and that is where we have the problem.

And whether it is one percent fraud or two percent fraud or ten percent fraud, we have a responsibility to address that fraud, because if we don't, then in the end we will be able to serve fewer people and the money doesn't go to the people who actually need it the most.

So again, I want to say thank you to Second Harvest Food Bank who I have the privilege of representing, who does a great job of getting quality food at a tremendously reduced price to the people who need it throughout three Congressional districts in the State of Georgia, one of which is mine.

With that said, I want to move to the integrity of the system, if you will. Ms. Squier, as we talk about the difference in state and Federal requirements for the system, do you believe that the states have a better chance of putting the integrity in the system or do you think that the Federal Government would do a better job of putting integrity into the system?

Ms. SQUIER. Mr. Chairman, Representative, I believe the states——

The CHAIRMAN. Your microphone.

Ms. SQUIER. We have shown with the TANF program what the states can do, a hugely successful program. And while I know you don't want to dwell on this fact, one of the things we can do in the Food Stamp Program is what we did in the TANF program, and that is have a work requirement for those who are not already working. Because I do understand that you have poor out there that are working and struggling every day.

But the able-bodied—I am not talking about disabled people or older people—able-bodied people with an able mind have risen that are now getting food stamps. And there is a reason for that, and that is because we have made it so easy. And I would like to see the states run programs that fit for them specifically.

Mr. SCOTT. Would any of the other of you like to comment on that briefly?

Ms. DEAN. I think that what we have right now is a strong partnership, Federal oversight for a national problem, which is hunger in America. People are not different, they are hungry in Kentucky *versus* Texas *versus* Washington. Having a national nutrition standard is crucial, the rules and the rigor with which you, Congress, establish for the program that states then operate.

I think states by and large do a terrific job. Can we hold them to a higher standard, push them to do better and more? Absolutely, both with respect to integrity and serving all eligible people. But it has been a very successful partnership to date.

Mr. DOAR. I think that we have been doing this for a long time this way, and I think that there is room for experimentation and testing of different approaches in which states could experiment using the food stamp benefits or the funding provided by food stamps to run a program that encouraged work more and provided assistance equally as effectively.

Mr. SCOTT. I certainly support the work requirement.

If I can, Mr. Chairman, I know my time has expired. I have one other organization in Georgia, a group called Manna, that has done a wonderful job in helping alleviate hunger and malnutrition throughout the world, Fitzgerald, Georgia. They take the good Georgia peanuts and they mix it with vitamins and it is provided for children around the world. And they have done an excellent job, and I want to say thank you to the people there for what they have done.

The CHAIRMAN. I thank the gentleman. The gentleman yields back. And I remind the panel that we are expecting votes in about 10 minutes, which means we might have 20 minutes at the outside. And I appreciate your cooperation.

I recognize Ms. Lujan Grisham for her 5 minutes.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman.

And welcome, Ms. Squier. And I am really going to focus on New Mexico, and I wish we were doing that in a way, because we are proud of what is going on in New Mexico. And I will repeat this again in my testimony and my question, but we are now the most food insecure for children in the country and nearly the most food insecure for adults in the country.

So as we talk about partnerships, the role for Federal oversight, and given that I have been in a state cabinet, it is a hard job, as Ms. Squier will attest to. But, in fact, our Human Services Department had questioned and actually had a judge require that they do things differently in terms of many of their benefit programs, which is why you absolutely need a partnership.

And I really appreciate that you are here because I do think we need to have reform conversations, to think about proactive ways to make these programs more stable for the future. I know that you haven't been doing that in New Mexico and you are not working and won't testify before the New Mexico Legislature. So I am really honored that you are willing to come before us today.

Now, you are part of a thing called the Secretary's Innovation Group, and it recommends that SNAP be converted to a fixed allocation with work requirements, 30 hours per week being the family norm.

I think every New Mexican would love that every able-bodied adult would have meaningful employment, but let's be mindful about the conditions around the country and let's talk about New Mexico. We are ranked 48th for job growth among the states. Albuquerque, which is the heart of my district, is in a double-dip recession, the only community in the country in that situation, we lost 2,700 jobs over the last year.

As I said, we have the highest rate of food insecurity, 31 percent for children.

So bearing in mind that New Mexico has these challenges that our residents face, I am trying to understand exactly what you are proposing. When there aren't enough jobs to go around, do we tell these kids and these families, "I am sorry, you will be hungry"? Because with a 31 percent rate, it looks to me that is exactly what would be said with a mandatory work program.

Ms. Squier, how do we reconcile that?

Ms. SQUIER. Well, thank you, Mr. Chairman, Representative. And I, too, would like to brag a little bit about New Mexico because we are number one in the nation on the School Breakfast Program. And we have also instituted School Breakfast After the Bell. We do school lunches. And now we are introducing——

Ms. LUJAN GRISHAM. But those don't require work programs.

Ms. SQUIER. And, no, they don't.

Ms. LUJAN GRISHAM. So let's focus on the work requirements. And, in fact, I would disagree with you about the efforts in school nutrition, which have also been under severe and consistent criticism.

So talk to me about how people are going to get jobs in states like New Mexico. And, given your proposal, just how would that work to take the 31 percent of kids who are hungry and make them not hungry?

Ms. SQUIER. Well, Mr. Chairman, Representative, I would disagree with you a little bit about the jobs that are out there. What I am doing right now is running a program in a little part of the state called Hobbs. And it was a pizza delivery, Domino's, and they needed people to work, and they couldn't get them.

Ms. LUJAN GRISHAM. Because Hobbs has a huge oil and gas boom, Ms. Squier, with so many high-paying jobs, six-figure incomes for people who are doing custodial work and driving trucks. So let's just focus on——

Ms. SQUIER. They couldn't get them because the people couldn't pass the drug test.

Ms. LUJAN GRISHAM. I am going to go on to something else, Ms. Squier. In New Mexico, you have managed to cut TANF benefits and reduce the number of participants in the program by 35 percent. Seems to me you have plenty of flexibility. You have also slowed enrollment in what used to be a model SNAP program to the point where 10,000 people are caught in a backlog waiting to receive benefits.

When we add that backlog to the other programs, there are at least 30,000 people that are waiting for months to receive emergency assistance. This became so urgent that in May a Federal judge ruled that the New Mexico Human Services Department was failing in its obligation to provide timely services and ordered the Department to remove systemic and programmatic barriers and process applications immediately.

Again, it seems to me that you have found many ways to have flexibility in the programs and make it difficult to enroll and to reach as few people as possible. I think it is important that this Committee be clear that when we talk about flexibility and reform, and it sounds like it is a good thing, but in reality it could mean kicking off the very people we are trying to protect. We need to find reforms that really target that population.

And I would like to ask, yes or no, that if Congress were to adopt your recommendations, would we—would I expect to see even bigger backlogs in the State of New Mexico?

Ms. SQUIER. There are no current backlogs, ma'am. And you are right that there was a backlog, and that is because the Affordable Care Act and the Federal Government sent incomplete files to us. So we had extra work to do to the tune of about 30,000 of them a month.

Ms. LUJAN GRISHAM. I completely disagree with you about that. But in any event, I raise these issues to point out that the partnership is important. New Mexico had a model SNAP program. It does not today. And that making sure that we have a balanced approach, Mr. Chairman, I think is an effective way forward.

[The clarifying information submitted is located on p. 59.]

Ms. LUJAN GRISHAM. I yield back.

The CHAIRMAN. The gentlelady yields back.

And anticipating no regional disagreement between the Ohio Members, I would turn to the gentleman from Ohio, Mr. Gibbs.

Mr. GIBBS. Thank you, Mr. Chairman.

First of all, I would like to say that these programs are important and everybody that needs help should get the help. And I am pleased to say that in the recent farm bill we passed we did in-

crease the funding for food banks. I think, as Mr. Scott talked about earlier, food banks play a really big role and prevent a lot of food from going to waste to help the needy.

But first, Mr. Doar, and the whole panel, cited statistics how participation in SNAP has increased and even during the economic cycles it doesn't go like this anymore, it just keeps going like this, up. And of course that could be, I guess, we are in a stagnant economy, part-time work and low-income jobs, and that is another issue for another day, I guess. But I think we do need to make sure we protect taxpayers' interests. And there are nearly 50 million people on the SNAP program now. And you mentioned, Mr. Doar, that some are working off the books. Some refuse to work.

Do you have any idea what percentage of people on SNAP might be totally not eligible?

Mr. DOAR. Well, this is a hard number to get at, and we need to continue to work on it, because it is not reported exactly the way you would expect it to be. Because when someone applies for SNAP, they answer questions concerning whatever income is in their household. And one question is, do you have earnings? And so we should know how many people who are not disabled, not elderly, and not children are getting SNAP but don't report any earnings.

And in my testimony, I have estimated what we think it is, and it has grown. And so it is a large number. And I know that in my experience in New York City that there were people—and I don't have a number, it needs further study—who were receiving Medicaid and SNAP and working in good fashion except in a way that was off the books.

Mr. GIBBS. So you are saying it is a significant number?

Mr. DOAR. It is an issue. There isn't any question.

Mr. GIBBS. Okay. To follow that a little bit, what was the average time—this is to the panel, not just to Mr. Doar—of people being on SNAP in the past and maybe today? Has that changed? Is it the average time? What is the average time?

Mr. DOAR. I don't have that.

Ms. DEAN. The latest study was from about 10 years ago. The median length of stay at the time was 10 months; for workers, it was shorter, about 8 months; and for seniors, for example, with fixed incomes, longer, 12 to 24 months.

Mr. DOAR. And I would just point out that 10 years ago is a long time in the change of the SNAP program.

Ms. DEAN. No, without a doubt. But that is the most recent available data.

Mr. GIBBS. Okay. On this categorical eligibility, does that help people get off SNAP programs? I mean, does it work the other way? We have heard so much discussion about if you qualify for LIHEAP and these other programs, you qualify for food stamps, my understanding. Now, if you fall off of one of the other programs, would they come in and look and see if you still qualify for food stamps? How does that mechanism work?

Mr. DOAR. Do you want to address that?

Ms. DEAN. Well, just to say, the reasons governors or State Commissioners adopted the option, for example, was to help stabilize working families. We have working families just above the income

cutoff in SNAP—which again, for a family of three is a little over $2,100 a month, who might be paying quite a bit of their income for rent and child care—and wanted to offer them the help of food assistance because after we looked at their budgets, their disposable income, they couldn't afford a basic diet for their kids.

So with that added help, does it help keep them in their job? That was the theory of change of these governors.

Just again to reiterate, they still had to come in and go through a thorough assessment of eligibility. What categorical eligibility allows is a relaxing of the gross income rule or the asset test. It does not automatically qualify someone for the benefit. They still have to be determined eligible.

Mr. GIBBS. Just another question to the panel. In the Agricultural Act of 2014 that we passed, are there incentives in there to help people to get off SNAP to go to work?

Mr. DOAR. That question you are raising is an interesting one in terms of the pressures and forces of the program from either the Federal Government or the state. I don't, in 18 years of being in the program, I don't sense that there was ever some sort of desire to help people get off. There certainly was a great desire to help people get on who were eligible. But SNAP is not a program that focuses on working so that benefits are no longer needed, in my judgment.

Mr. GIBBS. It sure seems like, what you just said, that a significant amount of people that are receiving SNAP benefits can work—or refuse to work.

Mr. DOAR. Well, I am not so sure about refuse to work. They are not being asked. Remember, in the TANF program we have set up these programs to help people get into employment. They do exist. But we are not making them available or encouraging or requiring SNAP recipients who are not reporting earnings to take advantage of them.

That is what I want. And remember, it is not to go get a job, it is come in and be engaged in an activity or receive a service that can help get you a job. That is also part of the requirement associated with work.

Ms. DEAN. But I am worried this is leaving the impression that there aren't participants on the program who are, in fact, working. In fact, that may be one reason, I think you pointed to it in the beginning of your question, as to why SNAP caseloads remain elevated even though the unemployment rate is falling. Setting aside the unemployment rate not being the perfect measure of the economy, we probably have many individuals who weren't working who have taken low-paying, low-hour jobs. They remain eligible.

Mr. GIBBS. My time has expired. I yield back Mr. Chairman.

That is because we have this stagnate economy. It is just growing at barely one percent or negative.

The CHAIRMAN. I thank the gentleman from Ohio.

And I now recognize Mrs. Negrete McLeod for her 5 minutes.

Mrs. NEGRETE MCLEOD. Thank you, Mr. Chairman.

I guess I was living in another world and you were living in a parallel world, because in California there were no jobs to be found. I don't know about your states, but in California, we had such a depression during the recession that I don't know where TANF

workers, where food stamp workers, people that are recipients were able to get a job. Even people that had degrees, that had Ph.D.s, couldn't get a job. So I don't know, maybe I am living somewhere else.

Mr. DOAR. Well, in New York City we had a pretty strong economy. The recession hit us, and we came out of it earlier and we came out faster. So we did have a lot of job opportunities, there isn't any question. And that is why I am concerned about it, is because I also have these people receiving this benefit that I thought was a work support, but they are not working and there was an economy that produced jobs.

Mrs. NEGRETE MCLEOD. Well, I guess New York is a little more lenient than California, because anybody that was receiving any kind of aid of any kind had to have some way to show that they were looking for a job, and if they had a job, then their benefits for certain programs were then lessened, or second, cut off completely.

So I guess what I have to ask you all, if any policy changes that would reduce the SNAP eligibility, is it going to reduce eligibility for any other program in your states?

Ms. SQUIER. Mr. Chairman, Representative, it would more mirror the eligibility as opposed to reduce it. For instance, I think what some of us are proposing, not all of us, is that we do a TANF-like program and mirror the Food Stamp Program to that program. I think it would be more of a mirroring and not a reducing.

Ms. DEAN. Although certainly people on SNAP qualify for other things. For example, children enrolled in the SNAP program are auto-enrolled into the Free School Meals Program, which is very sensible. These are families who are very low income and they have self-identified themselves as food insecure. If we restricted eligibility for SNAP and those families weren't on SNAP, they potentially would not qualify, for example, for the Free School Meals Program.

Mrs. NEGRETE MCLEOD. I am sure you know that any child that is hungry cannot learn.

Ms. DEAN. Absolutely.

Mrs. NEGRETE MCLEOD. Okay. Thank you.

The CHAIRMAN. The gentlelady yields back.

And the chair now recognizes the gentleman from Louisiana, Mr. McAllister.

Mr. MCALLISTER. Thank you, Mr. Chairman.

One thing I just want to make sure that we are all clear on is, we talk a lot about the people and the jobs and all, and I want to make it clear that the blame here is not to be put on the people that are on the SNAP program. The blame is to be put on those of us that sit in Congress, past, present, and future, because we have created the system that has not the accountability and has allowed the abuse and the different ways that we are sitting here talking about today to make sure the accountability is there for the people that are either on the system today, will be on the system tomorrow, whether they have a job and they are receiving SNAP or they are not receiving SNAP.

So with that, there are a few questions I want to ask. And this one goes to you, Ms. Dean. You correctly pointed out that the tem-

porary benefit boost was part of the 2009 Recovery Act. And it ended in November that last year. Your testimony cites the reductions of seven percent over the first 9 months of Fiscal Year 2014, which was October 2013 through June 2014. Is the reduction in benefits so due to the lapse of bonus benefits in the Recovery Act?

Ms. DEAN. That is quite a bit of it in terms of the spending, actually, and then as a result, average benefits are a little bit lower than we thought they would be. So, in fact, there is a little bit more there. But we in fact have fewer participants in the program. So it is both things that are going on.

Mr. MCALLISTER. So you would say there has been a reduction in the number of beneficiaries?

Ms. DEAN. Yes.

Mr. MCALLISTER. Okay. So Mr. Doar testified that even though the economy has begun to strengthen, the number of recipients is not dropping at an expected rate.

Mr. DOAR. It is not dropping at the rate it dropped in the 1980s. It has not dropped in the rate that it dropped in the 1990s. And there is always a lag. There is always a lag. But this is a long lag. This is a longer lag than before.

And I should also point out that while it has dropped in the past year, in the most recent month it went up. So there is something different happening now than used to happen. Now, there may be explanation for that, but it has been different.

Ms. DEAN. But this downturn, it was so far in excess of anything we had experienced in previous recessions. We lost more jobs, individuals were unemployed for longer periods of time, and we are adding far fewer jobs back to the economy, many of which are at low pay and low hours. So, to me, I would like to see the caseloads coming down because the economy is rebounding, but it just hasn't done that yet.

Mr. MCALLISTER. And I agree. I think everyone on this panel, and everyone in Congress agrees that we would love to see a society where no one was on the SNAP program. We would love to see everyone above the poverty line. That is what we all strive for.

I represent the ninth poorest district in the country, and I see it every day. And what I see with the SNAP program is I do see the abuse.

And what I would like to see is accountability happen to where the program is to where we provide to where the farm bill works for the farmers and the SNAP program works together; to where the nutrition value is there, but it is only certain items that provides nutrition; to where it has been incentivized, being on the SNAP program, as to where there is only a certain amount of items that you can go in the grocery store and you can get.

It is not just anything that you can go in there and get. It is not an EBT card that gives you anything. It is those nutritional value items that you get. So that you are limited to what you get, but it is the nutritional value that you need, so kids are not hungry, they are getting what they need.

Mr. DOAR. Congressman, Mayor Bloomberg proposed just a test of limiting what you could purchase with SNAP by eliminating something that was clearly not nutritious and a complete waste

with regard to health, sugary and sweetened beverages, and the USDA rejected an experiment that would allow us to limit.

So you are asking for something that is just very hard to change in the history of USDA. And it is unfortunate. But it is something worth considering, especially considering the amount of money that is spent on products that are not of nutritional value.

Mr. MCALLISTER. And that is where I come back to where I say the accountability comes back on us, the body of Congress. This is our fault. This is not the recipients' fault.

And you were talking about how do we get people off of it? We have worked real hard on the marriage. This is one case where we should have been working harder on the divorce. We should have been trying to figure out how does it come a time to where we get them off the program. And how do we work to get them off the program? We work on better education. We work on giving them the tools to get those better jobs.

And, yes, you are right, we have to have the jobs, we have to create and put the jobs there for them to have. But when the jobs are there—and just like you was talking about in Hobbs and other places—we have to have the skill sets to be able to get those better paying jobs when they are there, whether they are the six-figure jobs or whatever.

But if we don't give them the skill sets, we have failed as a society to get them prepared. And that comes back on us as a body of Congress. And that is not a Democratic issue, that is not a Republican issue, that is an American issue. And we are failing this country when we don't give those tools, when we are marrying them to the problem, we are developing a culture year after year, decade after decade of making them be dependent on us as a government.

So with that, I yield back any time, Mr. Chairman.

The CHAIRMAN. The gentleman from Louisiana yields back.

And the chair now recognizes Ranking Member Fudge for her 5 minutes and any closing statement she might choose to offer.

Ms. FUDGE. Thank you so very much, Mr. Chairman.

Let me get a few things clear that I was confused about.

Mr. Doar, my colleague Mr. Gibbs asked you about the number of people that you thought were basically scamming the system, and you said you didn't know. So if you don't know, you can't say it is significant. You either don't know or do you know.

Mr. DOAR. Well, I——

Ms. FUDGE. Do you know? The question is, sir, do you know?

Mr. DOAR. What I said in my testimony was that the extent to which unreported income is in the households of SNAP recipients, off-the-books earnings, is something we should study.

Ms. FUDGE. Do you know the number?

Mr. DOAR. I do not know the number——

Ms. FUDGE. That is the question, sir. That is my question.

Mr. DOAR.—I am giving my experience.

Ms. FUDGE. Second, you indicated that these people are being paid off the books. So if you are aware of businesses who are illegally paying people under the table, have you reported that abuse?

Mr. DOAR. No, I have not reported that abuse.

Ms. FUDGE. Okay. That is the answer that I need, you have not. Either you don't know or you have not reported, and in either case, you should.

Mr. DOAR. It is something that needs to be studied and looked into because it is clear it is happening.

Ms. FUDGE. So you don't know. Okay.

Let me just ask this question as well.

Ms. Squier, you indicated that if someone just gets a brochure that they are eligible for TANF.

Ms. Dean, is that accurate?

Ms. SQUIER. Not TANF.

Ms. DEAN. Under the TANF block grant, states can spend TANF funds on a wide variety of needs. TANF, bottom line, is a funding stream, not a program. So, yes, states can spend TANF funds——

Ms. FUDGE. How the state chooses, correct?

Ms. DEAN. Yes.

Ms. SQUIER. But that would be food stamps that I was indicating.

Ms. FUDGE. Go right ahead.

Ms. SQUIER. If someone receives a brochure about TANF, that can in New Mexico make them eligible.

Ms. FUDGE. It can. It can. But you indicated that every single person that gets it is eligible. That is what you said. I just want to be clear.

Ms. SQUIER. And I believe in New Mexico that is true.

Ms. FUDGE. Okay. So that is New Mexico. I can't argue that because I don't know New Mexico law.

Let me just also ask, I mean, we have heard a lot about fraud. And my friend Mr. McAllister, who I think is such a wonderful person, he says that he sees this in his district. I have heard a lot of my colleagues say the same thing. But I don't know that anybody reports it.

If there is so much fraud and you see it, why would it not be reported? We are all sworn to uphold the law in this body. And so I would hope that if someone sees fraud that they would report it, because then maybe we could get a handle and maybe we would give Mr. Doar the answers that he needs as to who is not doing what they should be.

Ms. Dean, you talked earlier about the strong program integrity and payment accuracy for SNAP. Could you just elaborate just a bit on that for me briefly?

Ms. DEAN. Sure. First, when an applicant applies, they do fill out in many places a very lengthy application. And then they are interviewed, and they have to provide paper verification of much of what they attest to on the application. Then an independent body within the state, quality control reviewers, pull each month a sample of cases and go back and independently check those. The Federal Government then goes in and re-reviews those. So it is an incredibly rigorous quality control system.

Last month, USDA issued the results for over and underpayments through this system for 2013, and they found record lows for the seventh consecutive year; states have been bringing those over and underpayment error rates down. The overpayment rate fell to

2.6 percent, and the underpayment rate was 0.6 percent, which means a net loss to the government of about two percent.

I just want to compare that quickly to other systems. The last year the IRS took a look at something similar was in 2006, and there we had 17 percent of taxes legally due went unpaid. So, frankly, the system does compare relatively well.

Ms. FUDGE. Thank you.

And I remember earlier on Ms. Squier mentioned the fact of the numbers of people who pay taxes and those who did not. And I am certain you meant to include in that group that does not multi-million dollar, multinational corporations as well, whose taxes could significantly help poor people and hungry people.

Mr. Chairman, I just want to say that, again, SNAP is something that people have very strong opinions about, pro and con. But what I do know is that there are many hungry children in this country who but for SNAP would not survive from day to day. There are many people in this country who work hard every day to make a living and feed their families who just need an extra help, just need a hand up, not a handout.

And so I am hopeful that at some point we can come together and decide what to do with this. As far as I am concerned we have made a decision, the farm bill is done. Let's look forward to some things that we really can change.

And with that, Mr. Chairman, I yield back.

The CHAIRMAN. I thank the gentlelady, the Ranking Member, and all of the witnesses.

In summary of this hearing, I would point out that it is clear to me that the Administration and the previous Administration both promoted SNAP signups in various ways, particularly with a September 30, 2009, statement. If we are looking at reining in growth, we didn't speak very much about the governors abusing the system and sending $20 LIHEAP checks, but that is part of the categorical eligibility that I would like to be expanded a little further on.

The work requirements are an alternative. And then some other discussion we had was block grants, cost-share. And something that didn't come up that I am interested also is state investigative authority.

So this has opened up a lot of topics, and I think it has expanded the dialogue. We have a common cause that it is important that we take these resources and apply them to the best use. And I think we all do agree on that.

So under the rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material and supplementary written responses from the witnesses to any questions posed by a Member.

This Subcommittee on Department Operations, Oversight, and Nutrition hearing is now adjourned.

[Whereupon, at 5:00 p.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUPPLEMENTARY INFORMATION SUBMITTED BY HON. MICHELLE LUJAN GRISHAM, A REPRESENTATIVE IN CONGRESS FROM NEW MEXICO

Ms. SQUIER. There are no current backlogs, ma'am. And you are right that there was a backlog, and that is because the Affordable Care Act and the Federal Government sent incomplete files to us. So we had extra work to do to the tune of about 30,000 of them a month.

Ms. LUJAN GRISHAM. I completely disagree with you about that. But in any event, I raise these issues to point out that the partnership is important. New Mexico had a model SNAP program. It does not today. And that making sure that we have a balanced approach, Mr. Chairman, I think is an effective way forward.

The following documents were filed by the New Mexico Human Services Department (HSD) with the U.S. District Court for the District of New Mexico on July 22, 2014. *Table 5,* demonstrates a backlog of 15,480 applications for assistance as of July 2014.

**Case 1:88–cv–00385–KG–CG Document 519–1 Filed 07/22/14**

***Exhibit 1***

**Overdue Plan Status Report as of July 15, 2014**

*Week 4: July 14–18*

| | Typical incoming case count | Handling the volume? | No. Cases over 30 days | Team Goal 1,000 Cases/day |
|---|---|---|---|---|
| SW Bernalillo | 290 | | 117 | |
| NPC* | Dismantled Unit | | 1,816 | |
| Post Backlog Monitoring:** | | | | |

| | No. Cases over 30 days |
|---|---|
| Chaves County ISD | 0 |
| Cibola County ISD | 0 |
| Colfax County ISD | 0 |
| Curry County ISD | 9 |
| East Dona Ana County ISD | 19 |
| Eddy Artesia County ISD | 1 |
| Eddy Carlsbad County ISD | 0 |
| Grant County ISD | 0 |
| Guadalupe County ISD | 0 |
| Hidalgo County ISD | 0 |
| Lea County ISD | 151 |
| Lincoln County ISD | 15 |
| Luna County ISD | 0 |
| McKinley County ISD | 111 |
| Medicaid Renewal Project | 5 |
| Northeast Bernalillo County ISD | 169 |
| Northwest Bernalillo County ISD | 0 |
| Otero County ISD | 0 |
| Quay County ISD | 1 |
| Rio Arriba County ISD | 0 |
| Roosevelt County ISD | 1 |
| San Juan County ISD | 39 |
| San Miguel County CSU | 0 |
| San Miguel County ISD | 0 |
| Sandoval County ISD | 6 |
| Santa Fe County ISD | 0 |
| Sierra County ISD | 2 |
| Socorro County ISD | 8 |
| South Dona Ana ISD | 0 |
| Southeast Bernalillo County ISD | 5 |
| Taos County ISD | 0 |
| Tierra Amarilla County ISD | 7 |
| Torrance County CSU | 47 |
| Torrance County ISD | 6 |
| Union County ISD | 0 |
| Valencia North County ISD | 0 |
| Valencia South County ISD | 1 |
| West Dona Ana County ISD | 10 |
| **Total** | ***2,546** |

*Total includes Application Registration, Intake, Processing and Recertification.
**Offices in Post Backlog Monitoring are working overdue cases for Week 4 offices.

***Exhibit 2****

**Applications and Eligible Clients Summary**

* This Summary is still under review and subject to change. 7/15/2014.

*Table—1 Total application received—Summary for ALL PROGRAMS*

*Description:* The summary of this table will provide the number of application received "**IN THE MONTH**".

| Month | Total Applications Registered in ASPEN | Applications from YESNM that are not registered yet (pending tasks in ASPEN) | Applications from FFM that are not registered yet (pending tasks in ASPEN) | Applications from ASPEN that are not registered yet (pending tasks in ASPEN) | Applications from YESNM that are disposed as duplicate before registration | Applications from FFM that are disposed as duplicate before registration | ISD2 Applications | Total Applications |
|---|---|---|---|---|---|---|---|---|
| Sep-13 | 2,236 | 9 | 0 | 14 | 52 | 0 | 28,288 | **30,599** |
| Oct-13 | 7,203 | 262 | 1 | 17 | 532 | 0 | 29,331 | **37,346** |
| Nov-13 | 8,757 | 184 | 0 | 2 | 1,268 | 0 | 23,366 | **33,577** |
| Dec-13 | 17,730 | 277 | 0 | 3 | 2,664 | 0 | 19,784 | **40,458** |
| Jan-14 | 27,681 | 543 | 1,486 | 14 | 2,702 | 166 | 5,422 | **38,014** |
| Feb-14 | 35,285 | 427 | 79 | 30 | 1,675 | 359 | 1,236 | **39,091** |
| Mar-14 | 44,048 | 1,024 | 194 | 25 | 1,703 | 130 | 284 | **47,408** |
| Apr-14 | 46,720 | 867 | 142 | 32 | 1,582 | 176 | — | **49,519** |
| May-14 | 53,416 | 370 | 111 | 30 | 2,450 | 90 | — | **56,467** |
| Jun-14 | 30,144 | 89 | 64 | 209 | 1,020 | 252 | — | **31,778** |
| Jul-14 | 12,111 | 650 | 79 | 767 | 410 | 17 | — | **14,034** |

*Table—2(a) Total Medicaid applications registered—Broken down by source*

*Description:* The summary of this table will provide the number of Medicaid applications registered for a given month.

| Number of Medicaid Applications registered (by source) | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| YES–NM | 9 | 363 | 644 | 1,628 | 4,108 | 5,101 | 6,563 | 6,520 | 11,724 | 4,622 | 1,545 |
| HSD Kiosk | 76 | 220 | 280 | 572 | 1,065 | 1,361 | 1,486 | 994 | 997 | 818 | 356 |
| Community Partners | 0 | 8 | 25 | 225 | 590 | 782 | 1,562 | 1,155 | 1,392 | 387 | 140 |
| ASPEN | 536 | 1,206 | 1,617 | 3,195 | 5,389 | 6,782 | 7,731 | 8,278 | 11,898 | 6,254 | 2,516 |
| PE/MOSAA | 26 | 43 | 44 | 50 | 91 | 137 | 132 | 454 | 319 | 454 | 218 |
| SDX Interface (SSI Cases) | 102 | 303 | 295 | 1,078 | 406 | 352 | 392 | 426 | 472 | 423 | 148 |
| FFM | 0 | 0 | 0 | 0 | 10,889 | 3,024 | 7,537 | 3,665 | 1,003 | 275 | 207 |
| ISD2 applications | 11,879 | 12,866 | 11,141 | 10,478 | 1,595 | 927 | 284 | | — | — | 0 |
| **Total** | **12,628** | **15,009** | **14,046** | **17,226** | **24,133** | **18,466** | **25,687** | **21,492** | **27,805** | **13,663** | **5,025** |

* This Summary is still under review and subject to change. 7/15/2014.

*Table—2(b) Total Cash applications registered—Broken down by source*

*Description:* The summary of this table will provide the number of cash applications registered for a given month.

| Number of Cash Applications registered (by source) | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| YES–NM | 9 | 164 | 197 | 473 | 955 | 1,123 | 1,333 | 1,481 | 2,389 | 1,251 | 619 |
| HSD Kiosk | 75 | 179 | 239 | 411 | 700 | 762 | 834 | 619 | 753 | 601 | 266 |
| Community Partners | 0 | 6 | 6 | 12 | 44 | 39 | 47 | 40 | 45 | 47 | 19 |
| ASPEN | 286 | 621 | 586 | 1,102 | 1,576 | 1,440 | 1,670 | 2,077 | 2,262 | 1,978 | 899 |
| PE/MOSAA | 0 | 0 | 0 | 0 | 0 | — | 2 | 182 | 3 | 3 | 0 |
| FFM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | — | 0 | 0 |
| ISD2 applications | 4,043 | 4,257 | 2,824 | 2,266 | 663 | 26 | — | — | — | — | 0 |
| **Total** | **4,413** | **5,227** | **3,852** | **4,264** | **3,938** | **3,390** | **3,886** | **4,401** | **5,452** | **3,880** | **1,803** |

*Table—2(c) Total SNAP applications registered—Broken down by source*

*Description:* The summary of this table will provide the number of SNAP applications registered for a given month.

| Number of SNAP Applications registered (by source) | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| YES–NM | 33 | 495 | 703 | 1,450 | 3,235 | 3,779 | 4,828 | 5,456 | 8,509 | 3,922 | 1,738 |
| HSD Kiosk | 207 | 514 | 737 | 1,277 | 2,182 | 2,585 | 2,917 | 1,921 | 2,142 | 1,597 | 719 |
| Community Partners | 0 | 7 | 9 | 49 | 168 | 231 | 316 | 350 | 328 | 157 | 78 |
| ASPEN | 852 | 1,762 | 2,250 | 4,061 | 5,589 | 5,517 | 6,683 | 7,751 | 7,874 | 6,093 | 2,552 |
| PE/MOSAA | 0 | 3 | 1 | 2 | 4 | 5 | 8 | 547 | 11 | 3 | 3 |
| FFM | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | | 1 | 0 |
| ISD2 applications | 12,366 | 12,208 | 9,401 | 7,040 | 3,164 | 283 | — | | | — | 0 |
| **Total** | **13,458** | **14,989** | **13,101** | **13,879** | **14,342** | **12,401** | **14,753** | **16,027** | **18,864** | **11,773** | **5,090** |

*Table—2(d) Total LIHEAP applications registered—Broken down by source*

*Description:* The summary of this table will provide the number of LIHEAP applications registered for a given month.

| Number of LIHEAP Applications registered (by source) | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| YES–NM | 3 | 183 | 249 | 592 | 1,203 | 1,428 | 1,512 | 1,481 | 1,952 | 889 | 447 |
| HSD Kiosk | 31 | 176 | 193 | 386 | 561 | 563 | 439 | 268 | 277 | 202 | 84 |
| Community Partners | 0 | 2 | 3 | 19 | 52 | 60 | 81 | 40 | 59 | 35 | 14 |
| ASPEN | 63 | 1,378 | 1,277 | 2,690 | 3,213 | 2,979 | 2,235 | 1,923 | 1,854 | 1,521 | 688 |
| PE/MOSAA | 0 | 2 | 0 | 1 | 3 | 5 | 4 | 82 | 5 | 7 | 3 |
| FFM | 0 | 0 | 0 | 0 | 0 | 7 | 21 | 5 | 3 | 3 | 0 |

*Table—2(d) Total LIHEAP applications registered—Broken down by source—Continued*

*Description:* The summary of this table will provide the number of LIHEAP applications registered for a given month.

| Number of LIHEAP Applications registered (by source) | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ISD2 applications | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Total** | **97** | **1,741** | **1,722** | **3,688** | **5,032** | **5,042** | **4,292** | **3,799** | **4,150** | **2,657** | **1,236** |

N/A = Not available.

*Table—3(a) Total applications certified by program—Pending to Approved*

*Description:* The summary of this table will provide the number of applications that were disposed and approved in the given month (excluding ISD2 figures).

| Program | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Medicaid (includes Long Term Care and disabled) | 335 | 1,333 | 2,439 | 4,816 | 9,711 | 14,835 | 18,245 | 19,085 | 19,013 | 16,501 | 7,109 |
| Medicare Savings Program | 33 | 129 | 228 | 326 | 476 | 693 | 879 | 985 | 1,190 | 1,021 | 503 |
| Cash | 51 | 266 | 336 | 680 | 1,036 | 1,109 | 1,303 | 1,550 | 1,830 | 1,852 | 893 |
| SNAP (Non Expedite) | 244 | 1,200 | 1,826 | 3,857 | 5,634 | 6,472 | 6,999 | 7,558 | 8,263 | 7,165 | 3,385 |
| SNAP (Expedite) | 114 | 417 | 496 | 1,875 | 3,295 | 3,957 | 4,702 | 5,104 | 5,534 | 5,417 | 2,148 |
| LIHEAP | 12 | 2,646 | 2,651 | 4,817 | 5,715 | 6,014 | 4,012 | 2,917 | 57 | 52 | 16 |
| **Total** | **789** | **5,991** | **7,976** | **16,371** | **25,867** | **33,080** | **36,140** | **37,199** | **35,887** | **32,008** | **14,054** |

*Table—3(b) Total applications certified by program—Pending to Denied*

*Description:* The summary of this table will provide the number of applications that were disposed and denied in the given month.

| Program | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Medicaid | 166 | 767 | 1,298 | 3,155 | 4,057 | 5,203 | 7,850 | 7,111 | 7,874 | 2,348 | 1,138 |
| Medicare Savings Program | 25 | 109 | 246 | 418 | 694 | 1,041 | 1,166 | 1,144 | 1,403 | 891 | 493 |
| Cash | 86 | 454 | 811 | 1,206 | 2,033 | 2,302 | 2,544 | 2,884 | 3,491 | 2,430 | 1,063 |
| SNAP (Non Expedite) | 73 | 472 | 1,239 | 2,075 | 3,400 | 3,793 | 4,451 | 5,160 | 5,031 | 2,041 | 1,022 |
| SNAP (Expedite) | 27 | 112 | 179 | 294 | 605 | 737 | 789 | 1,107 | 1,388 | 746 | 299 |
| LIHEAP | 37 | 327 | 514 | 1,150 | 1,678 | 2,161 | 1,776 | 1,630 | 1,914 | 4,112 | 1,842 |
| **Total** | **414** | **2,241** | **4,287** | **8,298** | **12,467** | **15,237** | **18,576** | **19,036** | **21,101** | **12,568** | |

*Table—3(c) Total applications certified by program—Pending to Closed*

*Description:* The summary of this table will provide the number of applications that were disposed and approved for a month and were closed for the ongoing months in the given month (excluding ISD2 figures).

| Program | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Medicaid | 13 | 27 | 61 | 124 | 125 | 164 | 181 | 225 | 202 | 142 | 54 |
| Medicare Savings Program | 0 | 1 | 0 | 3 | 1 | 8 | 6 | 5 | 8 | 7 | 3 |
| Cash | 1 | 14 | 15 | 22 | 56 | 59 | 62 | 53 | 83 | 96 | 54 |
| SNAP (Non Expedite) | 0 | 14 | 22 | 40 | 56 | 90 | 96 | 108 | 140 | 156 | 99 |
| SNAP (Expedite) | 0 | 3 | 4 | 9 | 21 | 28 | 33 | 40 | 49 | 48 | 14 |
| **Total** | **14** | **56** | **98** | **189** | **238** | **321** | **345** | **391** | **482** | **449** | **224** |

*Table—4 Total number of applications disposed as duplicate before registration*

*Description:* The summary of this table will provide the number of applications that are disposed as duplicate applications before registration.

| | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | **55** | **557** | **1,291** | **2,682** | **2,896** | **2,036** | **1,867** | **1,782** | **2,569** | **643** | **428** |

*Table—5 Total number of applications overdue by program as of July 15 2014 (May–July are primarily ineligibles Pending due to Court Order)*

*Description:* The summary of this table will provide the number of applications that completed application registration and a case was associated to the application and the program is overdue as of July 11, 2014.

| Program | As of Feb. 28, 2014 | As of Mar. 31, 2014 | As of April 30, 2014 | As of May 31, 2014 | As of Jun. 30, 2014 | As of Jul. 15, 2014 |
|---|---|---|---|---|---|---|
| Medicaid | 258 | 728 | 1,793 | 5,846 | 8,010 | 7,481 |
| Medicare Savings Program | 60 | 112 | 186 | 424 | 623 | 656 |
| Cash | 92 | 235 | 426 | 889 | 1,410 | 1,454 |
| SNAP (Non Expedite) | 189 | 580 | 1,148 | 2,580 | 4,370 | 4,479 |
| SNAP (Expedite) | 47 | 183 | 397 | 661 | 0 | 0 |
| LIHEAP | 1,657 | 2,794 | 3,953 | 5,139 | 669 | 1,355 |
| **Total** | **2,303** | **4,632** | **7,903** | **15,539** | **15,134** | **15,480** |

*Table—7 Total eligible individuals by program*

*Description:* The summary of this table will provide the total number of eligible clients for a program for a given month (as of 7/15/2014).

| Program | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Medicaid | 189,171 | 209,139 | 400,930 | 425,505 | 568,456 | 589,143 | 614,606 | 615,814 | 616,304 | 631,381 | 638,669 |

*Table—7 Total eligible individuals by program—Continued*

*Description:* The summary of this table will provide the total number of eligible clients for a program for a given month (as of 7/15/2014).

| Program | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Medicare Savings Program | 13,505 | 13,837 | 25,255 | 25,626 | 35,145 | 35,842 | 35,930 | 35,736 | 36,283 | 37,161 | 38,034 |
| Cash | 16,665 | 18,665 | 27,798 | 28,834 | 38,915 | 39,423 | 38,540 | 38,338 | 38,082 | 39,213 | 37,787 |
| SNAP | 156,386 | 163,956 | 321,799 | 326,145 | 434,121 | 435,603 | 431,658 | 427,839 | 422,152 | 440,103 | 441,604 |
| LIHEAP | 5,049 | 23,782 | 20,102 | 19,122 | 21,647 | 13,597 | 8,799 | 5,914 | 3,721 | 4,176 | 1,438 |
| ISD2 Clients | 705,866 | 684,526 | 257,411 | 273,879 | 5,718 | 366 | 5 | 0 | 0 | 0 | 0 |

*Table—8 Total number of applications from YESNM as of July 15 2014*

*Description:* The summary of this table will provide the number of Self Service Applications registered for a given month (as of July 1, 2014)

| Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|---|---|---|
| 565 | 7,302 | 8,868 | 12,665 | 17,850 | 16,400 | 23,968 | 12,782 | 10,901 | 12,334 | 4,978 |

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