Greenstein: Conaway SNAP Proposals Would Increase Food Insecurity and Hardship

The nutrition provisions of the farm bill that House Agriculture Committee Chairman Michael Conaway unveiled today would, if enacted, increase food insecurity and hardship. The significant proposed changes to the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) would end or reduce benefits for a substantial number of low-income people. Coming just four months after a tax-cut bill that will cost $1.9 trillion over ten years (including interest costs) and lavishes tax cuts on wealthy individuals and large, profitable corporations, the SNAP proposals would further widen the nation’s economic divide.

Chairman Conaway says his plan would help, rather than harm, low-income families, and I don’t doubt his sincerity. But a number of his assertions don’t reflect his actual proposals, nor are they consistent with the evidence.

- The bill contains changes that would cause more than a million low-income households with about 2 million people — particularly low-income working families with children — to lose their benefits altogether or have them reduced.

  The plan would use a portion of the resulting savings for a few relatively modest benefit enhancements such as a rise from 20 percent to 22 percent in the share of earnings that are deducted in determining a household’s benefit level. But the net effect of all these provisions would still be a significant cut overall, and a substantial number of people dropped from the program.

- The plan includes sweeping, aggressive new work requirements that would likely prove unworkable and do substantially more harm than good, fueling increases in hunger and poverty. These provisions would force states to develop large new bureaucracies but likely would do little to increase employment. And experience suggests they would leave substantial numbers of low-income people who have various barriers to employment — such as very limited skills or mental health issues like depression — with neither earnings nor food assistance.

In fact, in the more than 40 years that I have been working on issues related to low-income assistance programs and work, these are among the most poorly designed work-related proposals that I’ve seen at any time — and among the least likely to be effective. They are largely inconsistent with the research in the field.

They also fly in the face of House Speaker Paul Ryan’s call for evidence-based policymaking. To learn what works and what doesn’t in moving jobless SNAP participants into jobs, policymakers on a bipartisan basis in 2014 provided $200 million for ten major state demonstration projects to test various approaches to employment services, work programs, and work requirements for people receiving SNAP. The ten projects
are well underway — in red and blue states alike — and we will have results in the next few years. But rather than await the results and, with them, design sound work and job training policies, the Conaway bill would mandate that all states move now to institute sweeping changes — on an unprecedented scale — that are likely to fail.

Eligibility and Benefit Cuts in the Plan Would Particularly Hit Working Families

The Conaway proposal contains eligibility and benefit cuts that, to a striking degree, would end or reduce benefits for working families.

Under current law, for example, states have the option to allow certain households with gross incomes modestly over 130 percent of the poverty line to receive SNAP, such as working families with substantial child care costs that reduce their disposable incomes to considerably lower levels. Most states take this option. But the Conaway bill flatly ends states’ ability to serve households (except households that contain an elderly or disabled member) with gross incomes above 130 percent of poverty, regardless of how high their child care or housing costs may be and whether such costs leave them with disposable income below the poverty line. It thereby cuts a substantial number of households off SNAP. Close to 90 percent of the benefits going to the households that would be cut adrift go to working households (i.e., to households with members who work while receiving SNAP, but are paid low wages).

Another provision of the bill would end a decades-long program simplification and require millions of low-income households (all except the elderly) to provide their utility bills to the SNAP office or have their benefits reduced, which could be particularly problematic for people who work in low-wage jobs and people who have serious disabilities.

Most adult SNAP participants who aren’t elderly or disabled either are working or are temporarily unemployed but worked before receiving SNAP, will remain on the program a relatively short period of time, and will work again in the near future, the data show. Most jobless SNAP beneficiaries who do not fit that description have substantial barriers to employment that they need help to surmount, such as very limited skills and education or mental or physical health problems like depression. Under the Conaway proposal, however, they would be very unlikely to get these services.

The Conaway proposal would require SNAP beneficiaries between ages 18 and 59 who aren’t seriously disabled or raising a child under 6 to demonstrate each month that they’re working at least 20 hours a week or are participating at least 20 hours a week in a work program. States would need to build systems and procedures and add staff to track the work hours and exemption status every month for roughly 6 to 8 million people who may be subject to the work requirements (including those already working, who would have to regularly document their work hours, and those who have been on SNAP for only 30 days — despite data showing that large numbers of people receive SNAP for just a few months and get back on their feet on their own). Those who don’t provide satisfactory documentation on time each month could lose their SNAP benefits.

Chairman Conaway argues that states would be required to provide work-program slots to everyone who isn’t exempt and can’t find at least 20 hours a week of work on his or her own, and that these individuals would receive employment-related services to improve their employability. But that would be nearly impossible. Consider what would happen under this proposal:

• To preserve food assistance for people subject to the work requirements, states would have to provide places in work programs for about 3 million people or more each month who are not currently
employed. That vastly exceeds the scale of any existing employment or training program and would likely be well beyond the capacity of many states.

- Compounding this problem, the proposal vastly underfunds these work programs. It gives states $1 billion a year for these programs, which works out to just a little over $300 a year per work-program slot — or $28 a month — for the approximately 3 million SNAP participants. Yet meaningful job training, skill-building, and other such employment services cost $3,000 to $14,000 a slot (with the length of the slots varying). Or consider the experience in the Temporary Assistance for Needy Families (TANF) program, in which it costs about $414 per person \textit{per month} in the median state — or nearly $5,000 on an annual basis — to provide employment services for people subject to work requirements.

- As a result, the work-program slots that states likely could provide (if they could even provide slots on this mass scale) would largely be dead-end, make-work slots that do little or nothing to improve participants’ skills, overcome their barriers to employment, and enable them to secure and retain employment in the private sector. The employment services that these individuals would supposedly receive seem largely a mirage.

- All told, these requirements mainly would cause large numbers of people to “fall through the cracks,” be deemed “out of compliance,” and lose their basic food assistance. Those affected would include some who are working but whose employers cut their work hours below 20 hours a week when business is slow, and those who can’t work due to physical or mental health problems but don’t get all the necessary paperwork to document their conditions completed and to the state on time (which could be a particular problem for people who lack access to medical care because their state hasn’t adopted the Affordable Care Act’s Medicaid expansion).

That, indeed, has been the outcome of 20 years of experience with TANF’s work requirements. They \textit{haven’t} produced substantial gains in employment on an ongoing basis, but they \textit{have} increased the number of families and children living in deep poverty, with neither earnings nor cash assistance. In recent congressional testimony, Urban Institute employment expert Heather Hahn reviewed TANF’s experience and its relevance to work requirements in SNAP — and \textit{her testimony} should be required reading for all policymakers who will be making decisions on these issues in the weeks and months ahead.

Throughout SNAP’s history, policymakers have made most reforms and improvements to it on a bipartisan basis. The Conaway proposal stands in sharp contrast and illustrates the folly of trying to make major changes in SNAP on a partisan basis. It represents a missed opportunity to make bipartisan progress. Hopefully, the Senate will follow a different course, and I’m encouraged by statements from Senate Agriculture Committee Chair Pat Roberts and Ranking Member Debbie Stabenow that they plan to develop their farm bill, including its SNAP provisions, in a bipartisan manner.

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