Center on Budget and Policy Priorities

820 First Street NE, Suite 510
Washington, DC 20002

Tel: 202-408-1080
Fax: 202-408-1056

center@cbpp.org
www.cbpp.org

TESTIMONY OF STACY DEAN

Vice President for Food Assistance Policy
Before the House Committee on Agriculture's Subcommittee on Nutrition and Horticulture

May 8, 2012

Thank you for the invitation to testify today. I am Stacy Dean, Vice President for Food Assistance Policy at the Center on Budget and Policy Priorities, a nonpartisan policy institute located here in Washington. The Center is an independent, non-profit policy institute that 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, with a particular focus on the Supplemental Nutrition Assistance Program (SNAP). We receive no government funding.

My testimony today focuses on the impact of SNAP (known as the Food Stamp Program until 2008), its performance during the recent economic downturn, and issues for consideration during the upcoming reauthorization of the program. SNAP is our nation's most important anti-hunger program. As of February of this year, it was helping 46 million low-income Americans to afford a nutritionally adequate diet by providing them with benefits via a debit card that can only be used to purchase food. 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 that 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 ten-year period in serious nutrition-related problems among children. The doctors attributed a significant part of this reduction to the Food Stamp Program. 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.

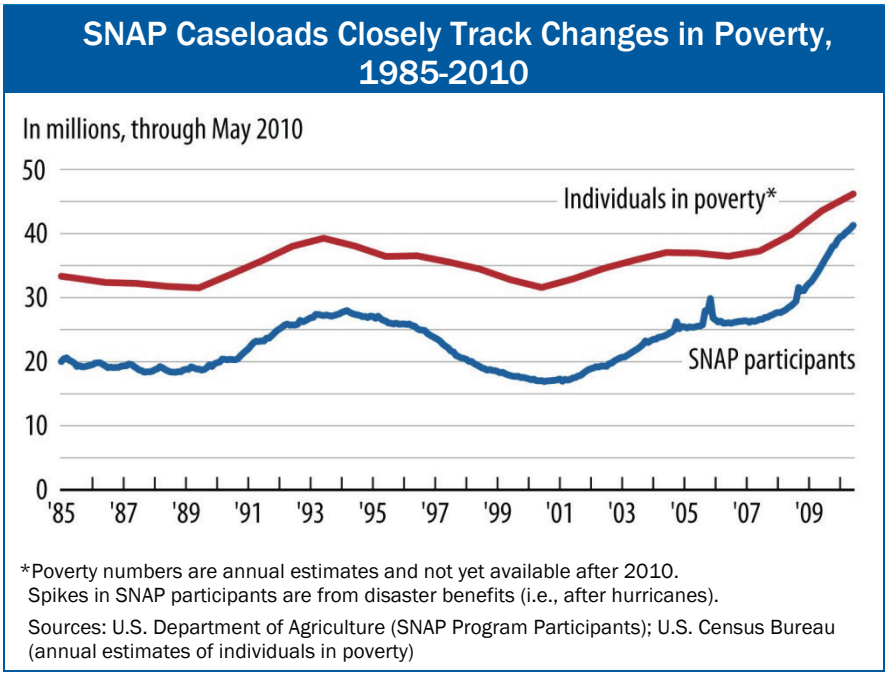
Consistent with its original purpose, SNAP continues to provide a basic nutrition benefit to low-income families, elderly and people with disabilities who cannot afford an adequate diet. But today's program is stronger than at any previous point. By taking advantage of modern technology and business 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.

Despite these successes, Census data indicate that in 2010 more than one in seven households nationwide were "food insecure," meaning that at times throughout the year households were uncertain of having sufficient resources to provide adequate food for family members; almost 49 million people lived in such households. Reauthorization of SNAP provides an important opportunity to review the program's strengths and improve it for individuals in need.

Special Features of SNAP

Protecting 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.



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 USDA study of SNAP participation over the mid-2000s found that more than half of all new entrants to SNAP participated for less than one year and then left the program when their immediate need passed.

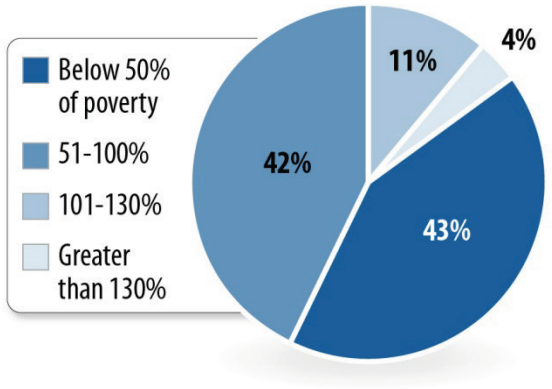
Since December 2007, when the recession began, SNAP enrollment has increased by 19 million people. In some of the states hit hardest by the downturn, caseloads have more than doubled. For example, in Nevada, Florida, and Utah, where unemployment increased by up to 160 percent between December 2007 and December 2011, the number of SNAP participants increased by 125 to 160 percent.

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 hurricanes of 2005, for example, SNAP provided more than 2 million households with almost $1 billion in temporary food assistance. In 2011, SNAP responded to two major sets of disasters: the spring floods and tornados (primarily in the Southeast and Midwest), and in the fall, Hurricane Irene and Tropical Storm Lee (in the Mid-Atlantic and Northeast).

Lessening the Extent and Severity of Poverty and Unemployment

SNAP targets benefits on those most in need and least able to afford an adequate diet. Its benefit formula takes into consideration 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 two-thirds 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.

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



Source: *USDA Food and Nutrition Service Quality Control Data, FY 2010.*

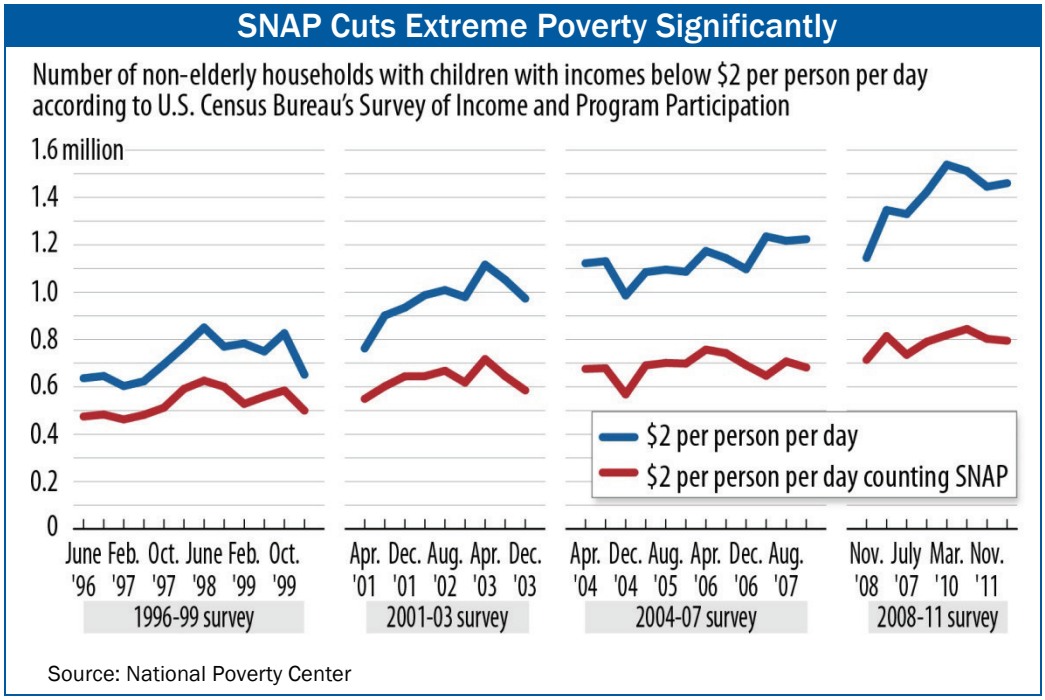
While the targeting of benefits adds some complexity to the program, it helps ensure that SNAP provides the most assistance to the poorest families with the greatest needs.

These features make SNAP a powerful tool in fighting poverty. A CBPP analysis using the National Academy of Science measure of poverty, which counts SNAP as income and identified 47.3 million people living in poverty in 2010, found that SNAP kept about 4 million people out of poverty, including about 2 million children. SNAP lifted 1.3 million children above 50 percent of the poverty line in 2010, 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 reduced the number of these extremely poor families with children in 2011 from 1.46 million to 800,000, and reduced the number of *children* in extreme poverty in 2011 by half — from 2.8 million to 1.4 million.

SNAP is able to achieve these results because it is so targeted at households with very low incomes. Roughly 93 percent of SNAP benefits goes to households with incomes below the poverty line, and 55 percent goes to households with incomes below *half* of the poverty line (about $9,300 for a family of three).

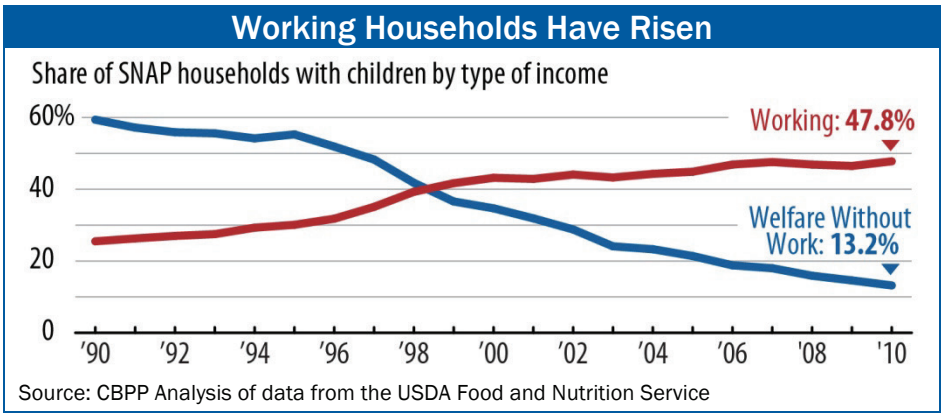
During the deep and prolonged recession and weak recovery, SNAP has become increasingly valuable for the long-term unemployed. In 2010, according to the Joint Economic Committee, over 20 percent of those who had been unemployed for more than six months received SNAP benefits. SNAP is one of the few resources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



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 $1.71 in economic activity. Similarly, the Congressional Budget Office (CBO) rated an increase in SNAP benefits as one of the two most cost-effective of all spending and tax options it examined for boosting growth and jobs in a weak economy.

Supporting and Encouraging work

Over the last two decades, the share of SNAP households that are *working* households has risen significantly. In 2010 more than three times as many SNAP households worked as relied entirely on welfare benefits for their income. (See chart: "Working Households Have Risen.") Nearly half of all SNAP households with children have earned income.



Despite sharply higher unemployment during the recession, the share of SNAP families with children that have earnings has remained stable. Even in 2010, when unemployment was 9.6 percent and jobs were hard to find, the majority of SNAP households that contained a non-disabled working-age adult were *working* households. The number of low-income working households on SNAP has risen dramatically over the past decade, reflecting both a substantial increase in SNAP participation among eligible low-income working households and wage erosion at the low end of the wage scale, which makes more working households eligible for SNAP.

The data also show that the majority of non-disabled working-aged adults who were *not* working while receiving SNAP worked either in the prior year or the following year. Among SNAP households that worked in the year before they began to receive SNAP, only 4 percent did not work in the following year, which indicates that turning to SNAP when families face hard times does not lead them to cease working.

SNAP benefits help low-wage working families make ends meet. Moreover, 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 cents — 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. Due to limited funding, however, the program can help only a modest portion of SNAP recipients who are unemployed and aren't enrolled in, or subject to, another work program or set of work requirements, such as under TANF. The Committee's recommendations to the Budget Committee for reconciliation would exacerbate this problem by imposing large cuts in SNAP employment and training funding, as discussed below. While many SNAP participants work, some face multiple barriers to work due to their very low skills or health problems. A 2003 GAO report found that SNAP E&T participants generally have limited education — often they have not finished high school — with limited work history and skills. State officials reported to GAO that SNAP E&T participants often had to rely on seasonal and intermittent employment and often lacked reliable transportation and affordable child care, factors that contributed to the challenge of finding and maintaining employment. SNAP E&T is an important means to assist these individuals gain the skills they need to enter or re-enter the workforce.

Some have argued that the existing workforce system and programs are duplicative of SNAP E&T and that SNAP E&T thus isn't needed. That is not the case. Existing job training programs are not equipped to serve many SNAP participants. Funding for job services under the Temporary Assistance for Needy Families block grant is already inadequate, and is unavailable to many SNAP participants, including those without children. Job programs funded by the Workforce Investment Act (WIA) are generally not designed to address the barriers to employment that many low-income SNAP participants face. Because WIA is serving an increasing number of non-poor jobseekers with a frozen level of funding, the number of low-income individuals receiving job training through WIA has declined. Indeed, the GAO reported that some state agencies operating WIA programs are reluctant to provide intensive services to SNAP participants due to concern that doing so would adversely affect the program's performance measures.

Supporting Healthy Eating

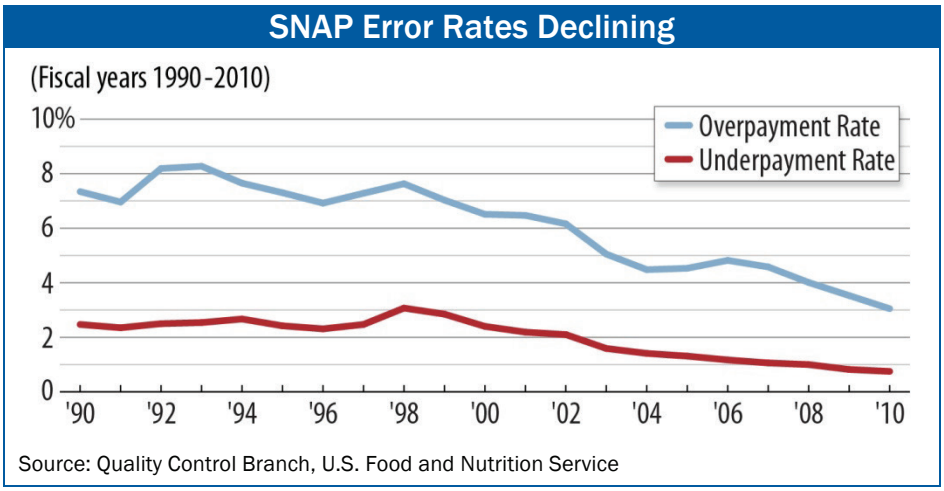
While I've focused so far primarily on SNAP's role in reducing poverty and responding to downturns, we should not forget that SNAP enables low-income households to afford a more healthy diet. Because SNAP benefits can be spent *only* on food, they raise families' food purchases more than an equivalent 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. Recent research finds that the nationwide expansion of SNAP in the 1960s reduced the incidence of low birth weight, as well as infant mortality to some extent.

Issues Related to SNAP

Despite SNAP's many strengths and its powerful response to the recent downturn, some policymakers have raised questions about the program, primarily concerning waste and fraud, SNAP's recent growth, and its effect on the nation's long-term fiscal problems. I will examine each of these issues in turn.

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.

Despite the recent rapid caseload growth, states achieved a record-low SNAP error rate in fiscal year 2010. Only 3 percent of all SNAP benefits represented overpayments, meaning they either went to ineligible households or went to eligible households but in excessive amounts. More than 98 percent of SNAP benefits were issued to eligible households.



In addition, the *combined* error rate — that is, the sum of overpayments and underpayments (see box) reached an all-time low in 2010 of just 3.81 percent. The overpayment error rate counts benefits either issued to ineligible households or issued to eligible households in excess of what

federal rules provide. The underpayment error rate measures errors in which eligible, participating households received smaller benefits than SNAP rules call for. The combined payment error rate is the *sum, not the net,* of the overpayment and underpayment error rates.

In 2010, for example, the overpayment error rate was 3.05 percent and the underpayment rate was 0.75 percent. The combined error rate was thus 3.81 percent. But the *net loss* to the federal government from errors (the overpayment rate minus the underpayment rate) was 2.3 percent.

In comparison, the Internal Revenue Service (IRS) estimates a noncompliance rate on the income tax of 16.9 percent in 2006 (the most recently studied year). This represents $385 billion lost to the federal government in one year. Underreporting of business income alone cost the federal government $122 billion in 2006, and small businesses report less than half of their income.

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 more than 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.

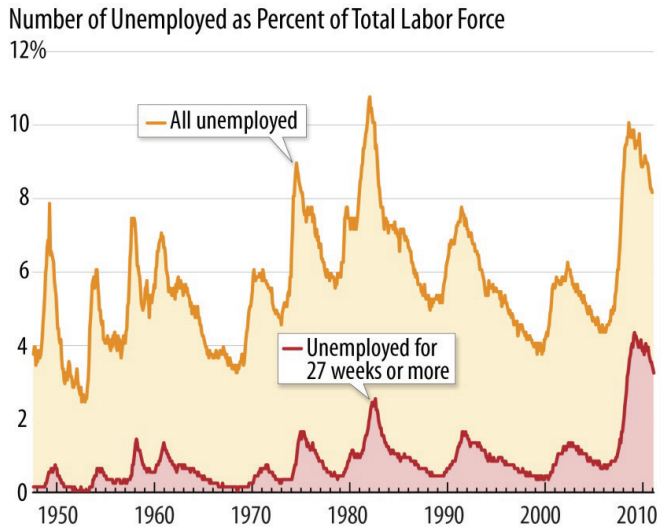
Finally, SNAP has low administrative overhead. Almost 95 percent of federal SNAP spending goes to providing benefits to households for purchasing food. Most of the rest goes toward federal and state administrative costs, including reviews to determine that applicants are eligible, employment and training activities, nutrition education, monitoring of retailers that accept SNAP, and anti-fraud activities.

Increases in SNAP Costs

There is widespread misunderstanding regarding the reasons for the large growth in SNAP spending in recent years and what is likely to happen in the future. SNAP costs have grown substantially over the past decade, but for reasons that show the program is working. And they are expected to come down in the coming years. Claims that cuts to SNAP are justified because the program is growing in unsustainable ways are misplaced.

The single biggest reason for program growth is the effect of the recession and lagging recovery on the economic circumstances of millions of Americans. Unemployment peaked at 10 percent in late 2009, and long-term unemployment (of six months or more) has set all-time highs.

Long-Term Unemployment At Unprecedented Levels



Source: Bureau of Labor Statistics

A recent CBO report confirmed that "the primary reason for the increase in the number of participants was the deep recession from December 2007 to June 2009 and the subsequent slow recovery; there were no significant legislative expansions of eligibility for the program during that time."[1] Put another way, the recession dramatically increased the number of low-income households who qualified for and applied for help from the program; SNAP expanded to meet the increased need. Without SNAP, poverty and hardship would have been significantly worse in the last few years.

To be sure, the downturn does not explain all of the recent increase in SNAP costs. Some people assume that eligibility expansions are largely responsible for the remainder of the cost increase and that, as a result, SNAP expenditures and participation will continue growing even after the economy recovers. Careful analysis indicates, however, that such assumptions are incorrect.

As in many other areas of budgetary analysis, the year one picks as a starting point for a historical analysis matters. For SNAP, starting only ten years ago provides a distorted picture of program growth because SNAP participation and costs had plummeted at that point, in part due to a large *decrease* in the proportion of eligible families receiving SNAP in the late 1990s. The 1996 welfare law was intended to encourage work, but due to problems in state administrative systems in the first years of implementation, many families moving from welfare to working-poor status were cut off SNAP when they left welfare, even though they remained eligible for SNAP. This was not what Congress had intended.

Aggravating this problem, some states instituted administrative practices in those years that had the unintended effect of making it harder for many working-poor parents to participate in SNAP (largely by forcing them to take too much time off from work for repeated visits to SNAP offices at frequent intervals, such as every 90 days, to reapply for benefits).

This prompted many to call for reforms that would improve access to SNAP for low-income working families and led both the Clinton and Bush administrations to act to address this problem. A bipartisan consensus emerged that making it difficult for families to continue receiving SNAP when they left welfare for low-wage work would discourage work and conflict with welfare reform goals.

As a result, Congress enacted meaningful, although relatively modest, changes in 2002 and 2008 to lessen barriers to SNAP participation among the working poor, as well as modest improvements in benefits largely aimed at low-wage workers and their families. In addition, most states took steps to improve access for working families. These measures have succeeded: the SNAP participation rate, which had plummeted from 75 percent of eligible individuals in 1994 to 54 percent in 2002, is back to 72 percent today.[2] Of particular note, SNAP participation among low-income *working* families has risen steadily, from 43 percent in 2002 to about 60 percent in 2009, a record high.

The final major contributor to recent SNAP spending growth is the temporary SNAP benefit increase that Congress enacted as part of the 2009 Recovery Act in order to reduce hardship and deliver high "bang-for-the-buck" economic stimulus. CBO reports that this provision accounted for 20 percent of the growth in the program between 2007 and 2011.

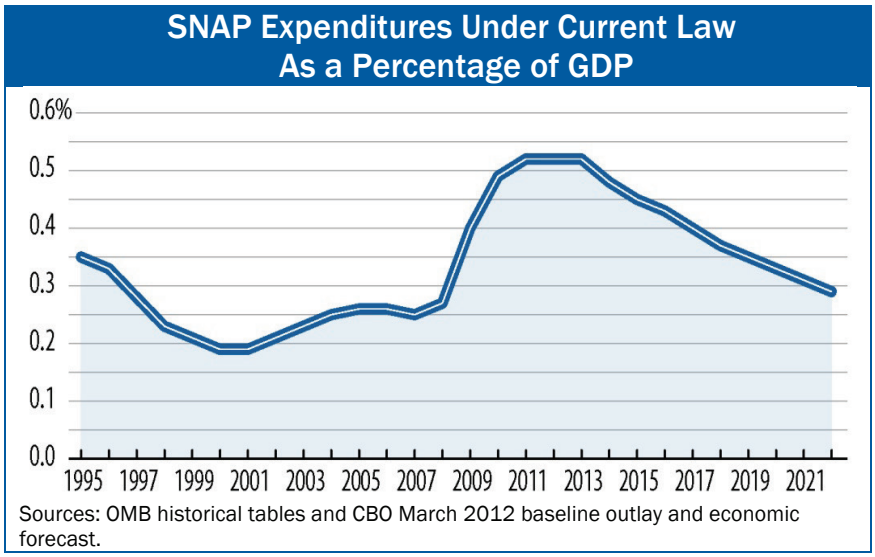
---

[1] Congressional Budget Office, "The Supplemental Nutrition Assistance Program," April 2012.
[2] The most recent year for which USDA publishes estimates is 2009.

In sum, there are three main reasons for the large increase over the past decade in SNAP expenditures: the economy, a large increase in participation among eligible households (especially eligible working households), and the Recovery Act's temporary benefit increase. These three factors dwarf the impact of eligibility changes during this period.

What lies ahead with regard to SNAP costs? Under current SNAP law, without any changes, expenditures will *decline* in the coming years, for two reasons.

First, history suggests that SNAP caseloads and expenditures will fall after unemployment and poverty fall, as CBO's recent report on the SNAP program notes. SNAP caseload growth already has slowed dramatically; in fact, in January and February (the most recent two months of data), SNAP participation was modestly *lower* than the prior month. According to CBO, in the coming years the share of the population that participates in SNAP will fall back to 2008 levels.



In addition, the Recovery Act benefit increase is slated to end on October 31, 2013, reducing benefits for all SNAP households.

The graph "SNAP Expenditures Under Current Law as a Percentage of GDP" shows where all this will lead. The graph projects actual SNAP costs through fiscal year 2011, and CBO's projection of costs under current law through 2021. It shows that SNAP costs as a share of the economy are expected to decline all of the way back to their 1995 level as a percentage of GDP by 2018, and then to edge below that level.

This means that SNAP is not contributing to our long-term budgetary problems. Unlike health care programs and Social Security, there are no significant demographic or programmatic pressures that will cause SNAP costs to grow faster than the economy. This also means that the recent growth in SNAP expenditures is not a sound justification for imposing SNAP cuts.

The Budget and SNAP

This year's farm bill will likely need to produce savings that contribute to deficit reduction. The nation is on an unsustainable fiscal course, and changes are needed to correct that path. But the United States also has levels of poverty and inequality significantly higher than most other western industrialized nations. Furthermore, poverty — and especially deep poverty — among children may have negative long-term effects on the economy, as well as on the children themselves.

The 2010 report by deficit commission co-chairs Erskine Bowles and Alan Simpson and a majority of the commission members emphasized, as one of its core principles, that deficit reduction should not increase poverty or harm the disadvantaged. The report did not call for reductions in any low-income program outside Medicaid. Similarly, when the Senate's bipartisan Gang of Six developed it's framework for deficit reduction, it also said that SNAP should not be cut. Last year, a diverse group of Christian leaders representing the Catholic Bishops' Conference, the Episcopal Church, the Salvation Army, the National Association of Evangelicals, and others issued a call for policymakers to safeguard the poor in deficit reduction and to draw a "circle of protection" around programs targeted on them.

History shows that deficit reduction need not harm the poor. In 1990, 1993, and 1997, policymakers enacted legislation that reduced deficits substantially — and helped produce four years of surpluses — *without* harming low-income families. In fact, all three laws included well-designed measures (such as improvements in the Earned Income Tax Credit for working-poor families and creation of the Children's Health Insurance Program) that *reduced* poverty and hardship. These examples provide useful precedents for policymakers today.

I urge policymakers to seriously consider these principles and precedents in evaluating proposed changes to SNAP, such as the Committee's recent recommendations to the Budget Committee on reconciliation savings and the Budget Committee's proposal to block grant SNAP.

House Agriculture Committee Reconciliation Recommendations

Required by House Concurrent Resolution 112 to produce $33 billion in savings over the next decade, the Committee produced legislation last month that would obtain the entire amount from cuts to SNAP. I am deeply concerned about the package that the Committee approved.

- **The cuts would affect every SNAP household.** Some 2 million individuals, disproportionately working families and seniors, would lose SNAP benefits entirely. All remaining 44 million individuals who receive SNAP would see their benefits cut. For example, in September 2012, every household of four would see its benefits cut by at least $57 a month; all households of three would lose at least $31 a month.

- **The proposal would increase poverty and hardship and could affect the economy adversely.** As noted, SNAP lifted about 4 million people out of poverty in 2010, including about 2 million children, under a poverty measure that counts the value of SNAP and other non-cash benefits, as analysts generally recommend. The proposed cut in SNAP benefits would push some households into poverty and deepen the extent of poverty for millions of others.

- **The proposal would cut funds for job training at a time when the unemployment rate exceeds 8 percent.** Some proponents of large cuts in SNAP and other low-income programs argue that policymakers should place greater emphasis on promoting work. Yet the House SNAP proposal would cut federal funding for SNAP employment and training by 72 percent by removing federal matching funds for job training and other employment programs for jobless SNAP recipients, along with associated child care, transportation, and other work supports. This cut would make it *harder* for SNAP households that are unemployed to find jobs.

Many observers do not expect the House reconciliation package to become law because of opposition in the Senate. I would urge you to set aside this package and to reconsider cutting SNAP as you move forward with the farm bill. Cutting SNAP benefits could compromise low-income Americans' ability to obtain a basic diet, with potential negative health effects on poor children, seniors, and people with disabilities. SNAP households include 4 million seniors, 4 million adults who receive disability benefits, and 23 million children, including 10 million children in households with cash income below half the poverty level.

Block Grant Proposal

The proposal in the House budget to convert SNAP to a block grant and cut it at least $133.5 billion over ten years is ill-advised.

As noted, SNAP funds go overwhelmingly for food purchases — nearly 95 percent of federal SNAP expenditures go directly for benefits to recipients. Most of the remainder goes to determine eligibility, administer the work requirements and work programs, and approve and monitor compliance by retail food stores — costs that would largely remain under a block grant. The math here leads to an inevitable result; *the only way to secure savings of this magnitude would be to substantially cut eligibility, benefit levels, or both.*

If the savings were to come entirely from restricting eligibility, more than 8 million people would need to be cut adrift if the cuts began taking effect in 2013. (If the cuts did not begin until 2016, the year in which the House budget envisions converting SNAP to a block grant, an average of almost 10 million people would have to be cut from the program from 2016 through 2022 to achieve the required savings.) States would likely restrict eligibility, at least in substantial part, by lowering income (and possibly asset) limits, which would primarily remove low-income *working* families from the program. A program structure that provides SNAP to families on public assistance but denies it to many who work for low wages would have much weaker work incentives than SNAP has today.

If the savings were secured by cutting benefit levels instead, increased hunger and food insecurity would likely result. Considerable research suggests that the SNAP benefit level may already be too low to enable many families to secure an adequate diet throughout the month. (Many run out of adequate food toward month's end.) It would be dangerous to shrink benefit levels for needy children, seniors, and others.

Converting SNAP to a block grant at substantially reduced funding levels also would have other deleterious effects.

- SNAP would no longer be able to respond to increased need during economic downturns, so hardship and hunger would be worse in future recessions than if SNAP's current structure is maintained.

- Nor would SNAP be able to bolster the economy during recessions as it does today. In studying the effect of 22 different tax and spending options to promote economic growth and jobs in a weak economy, economist Mark Zandi of Moody's Analytics rated temporary increases in SNAP benefits *first* in effectiveness per dollar of cost, ahead of both unemployment insurance and all tax-cut options. CBO similarly gives SNAP increases its top rating for effectiveness in a weak economy. This is because SNAP benefits are quickly spent and injected into the economy, rather than saved. Preventing SNAP from expanding automatically as the economy weakens by converting it to a block grant would remove what economists call an "automatic stabilizer" and hence likely make recessions somewhat deeper and longer.

- Finally, a proposal to cut SNAP like that in the House budget would almost certainly make *deep poverty* more widespread and severe — especially among children, who make up about half of SNAP beneficiaries. That could have harmful long-term consequences for these children. Emerging research shows the importance to children's future earnings prospects of adequate family income and purchasing power during early childhood.

Looking Ahead

Debates over the overall budget framework and whether to cut safety net programs have impeded the conversation that policymakers ought to be having as a part of the farm bill: how can we strengthen SNAP to respond still more effectively to hunger and poverty? Despite SNAP's many strengths, the program could be improved to ensure that it more comprehensively responds to low-income families' needs.

I will highlight three particular areas for the Committee's consideration.

Revisiting Eligibility Restrictions

One of SNAP's strengths is that it is not limited to particular population sub-groups but instead is largely available to low-income people based on their financial circumstances. Some low-income people, however, are not fully eligible for SNAP, which reduces its ability to meet need.

While several of SNAP's eligibility restrictions are worth revisiting, one in particular stands out. Childless unemployed adults face an overly harsh SNAP restriction. People aged 18 to 50 who are not raising minor children may receive SNAP benefits for only *three months* (while they are not employed at least half time) out of every *three years*, even if they have looked diligently for work but cannot find it. I encourage the Committee to consider moderating this overly harsh restriction.

Benefit Adequacy

While SNAP is a powerful response to poverty and food insecurity, the program's relatively modest benefits reduce its impact. The average SNAP *household* received about $287 a month in benefits in fiscal year 2010; the average *recipient* received about $134 a month, or about $1.50 per meal. Many researchers have questioned whether the benefits are sufficient to meet families' basic needs throughout the month, a question that the Institute of Medicine is now examining.

Moreover, recent research suggests that the Recovery Act's temporary boost in SNAP benefits contributed to improved food security of SNAP households between 2008 and 2009.

Ideally, the Committee would explore ways to improve SNAP benefits — either overall or for specific groups, such as senior and disabled households, as it did in 2008. At a minimum, the Committee should not reduce benefits.

Program Access

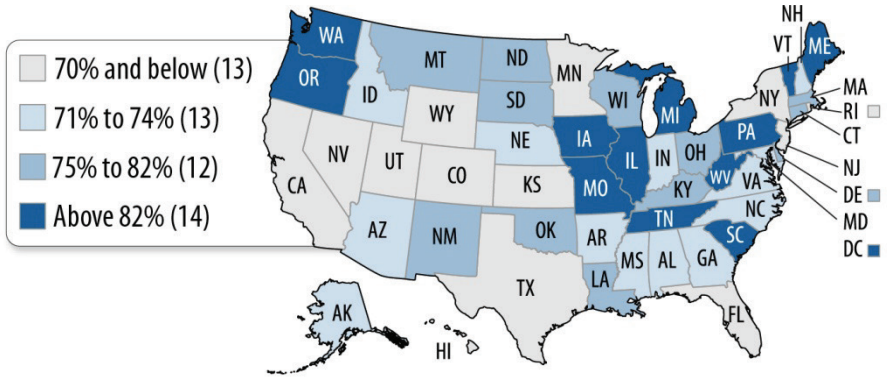
SNAP does a good job of reaching eligible people. As noted, it reached 72 percent of all eligible individuals in a typical month in 2009 (the most recent year available). Participation rates have increased over the past decade, reflecting increased need, program simplification, improved enrollment policies, and expanded outreach efforts. Because the neediest individuals, who are eligible for larger benefits, participated at a higher rate than other eligible persons, the 72 percent of eligible individuals who participated received 89 percent of the total benefit amount that would be provided if 100 percent of eligible individuals participated.

Yet SNAP does not reach all types of households equally well. While families with children participate at high rates, working families and seniors participate at relatively low rates.

- **Working families.** In 2009, some 60 percent of the eligible working poor participated. While participation among these families has improved in recent years, more could be done.

- **Seniors.** Eligible seniors, who face unique barriers in accessing and applying for benefits, are particularly underserved. Many low-income seniors who struggle to get by on small fixed incomes have unmet dietary needs but don't receive SNAP assistance. Just *35 percent* of eligible individuals over age 60 participated in 2008, though participation rates have increased modestly in recent years.

SNAP Participation Rates by State, 2009



Source: USDA, "Reaching Those in Need: State SNAP Participation Rates in 2009"

In addition, SNAP participation rates vary widely from state to state. (See chart: "SNAP Participation Rates by State, 2009.") Some states, such as Illinois, Maine, Missouri, Washington, and West Virginia, consistently serve a high percentage of eligible households (over 80 percent), while others serve a lower percentage (such as California, Delaware, Kansas, Texas, and Wyoming).

The Committee should look for further opportunities to streamline and simplify program rules in order to ease barriers that impede eligible households from participating and to make it easier for state agencies to serve these households. Possibilities include expanding outreach to underserved populations, better enabling poor households to apply for benefits (such as by providing more access to online and telephone services), and improving retention of eligible households at renewal. Households that participate in SNAP must reapply for their benefits after a fixed period of time, typically every six or 12 months. States have found that a significant share of eligible households don't complete the reapplication process by the state's deadline and are cut off; many of these households then file a new application, but this creates a gap in food assistance as well as more work for the state (since new applications are more time-consuming than renewals). Addressing this problem could improve participation rates, reduce administrative burdens on states, and reduce food insecurity among needy families.

Supporting States' Efforts to Strengthen Program Integrity and Access

Another important area worth exploring is the remarkable advances in state SNAP agencies' use of technology and innovative business practices, which have improved program efficiency as well as overall access to the program. Despite dramatic increases in their SNAP caseloads during the economic slump and fewer administrative resources with which to manage their workloads (due to state budget cuts), a number of states have done an impressive job of meeting the increased need.

Some states have begun offering new options for applying for and renewing benefits — such as online applications, which roughly half of the states now offer — that enable low-income households to apply at times more convenient for them than traditional office hours (which often conflict with their work hours). This approach can improve access for working families and those in remote locations, where the nearest SNAP agency might be a long distance away. Online applications can also help streamline a SNAP agency's workload. Because online applications enable families to take care of some of the application process themselves, state staff have fewer data to enter in order to process applications. The same goes for other on-line tools. Families often have questions about the status of their case or need to report changes in their circumstances. Because responding to unscheduled inquires can distract eligibility staff trying to work through other cases, a number of states have sought to automate these functions. An increasing number of states offer online service tools that allow clients to report changes or check the status of their case.

States have developed other tools that can help to improve program integrity as well as access. For example, Utah has developed a tool that helps eligibility workers conduct data matches across a wide range of state and federal databases (such as Motor Vehicles, State Vital Statistics, Social Security Administration, Child Support, Unemployment Insurance, state tax records, consumer credit checks, and other commercial databases). These databases help states verify the income (and other eligibility factors) that the household reports and detect instances where households may not have reported information accurately. Previously, eligibility workers needed to query each database separately, which could involve separate links, user names, and passwords for each match. The new software, known as "eFind," pools all the matches together for the worker within seconds, reducing processing delays and facilitating cross-program sharing of information as well as detection of errors and fraud. Helping states share these tools with other states, including exploring ways for the federal government to procure sound solutions one time in lieu of 50 states individually paying for technology tools that improve program integrity and access, should be a priority.

Separate from these technology tools, a number of states have also reconfigured and streamlined their staff business processes in order to handle increased workloads while reducing the amount of staff time it takes to determine eligibility and also increasing payment accuracy. These efforts can yield strong results for the program and its clients. While USDA makes a concerted effort to share best practices and technology tools across states, individual SNAP agencies are often left to figure out these modes of improvement on their own. I encourage the Committee to explore means to facilitate greater use of these practices.

In conclusion, I hope that policymakers will be able to step back from the usual type of Washington debates and political battles and consider what policies would be best for "the least among us." I urge you to follow the Hippocratic oath and "do no harm." And I also would ask you to adopt the Bowles-Simpson principle of protecting the disadvantaged and avoiding measures that would increase hunger, poverty and hardship in a nation as abundant as ours.