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## House Farm Bill Provision Would Pay States to Cut Families Off SNAP Who Want to Work But Cannot Find a Job

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The farm bill that the House defeated on June 20 included a provision, offered by Rep. Steve Southerland (R-FL), that would make harsh, unprecedented changes to the Supplemental Nutrition Assistance Program (SNAP), the nation's primary weapon against hunger.<sup>1</sup> These changes came on top of provisions already in the bill that would make more than \$20 billion in cuts to SNAP and terminate eligibility for almost 2 million low-income individuals.<sup>2</sup>

Proponents of the Southerland provision and some news accounts of the farm bill have mischaracterized this provision as a “work requirement” that would be based on the requirements in the Temporary Assistance for Needy Families (TANF) block grant. In fact, the provision is not really a work requirement; it could deny benefits to large numbers of low-income people who want to work but cannot find a job, and it would incentivize states to cut such people off by giving them large amounts of new federal funding — to spend on whatever they choose — if they use the Southerland provision to cut their SNAP caseloads.<sup>3</sup> The provision also varies considerably from TANF, despite proponents' claims, as the box, Comparisons to TANF Are Misplaced, shows.

The Southerland provision would authorize states to require most adults who are receiving or applying for SNAP, including parents with children as young as 1 year old, to work or participate in a work or training program for at least 20 hours a week or else have their SNAP benefits cut off. It would allow states to keep half of the federal savings from cutting people off, which state politicians would be allowed to use for any purpose, including tax cuts and special-interest subsidies.

Of particular note, the provision provides *no* jobs and *no* additional funds for work program or training slots to enable families to meet these stiffened requirements. Nor does it require a state to provide *any* work or training slots to people who cannot find jobs. In other words, it allows states to

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<sup>1</sup> H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013 (FARRM).

<sup>2</sup> See Dorothy Rosenbaum and Stacy Dean, “House Agriculture Committee Farm Bill Would Cut Nearly 2 Million People Off SNAP,” Center on Budget and Policy Priorities, revised May 16, 2013.

<sup>3</sup> The federal government pays the full cost of SNAP benefits and splits the cost of administering the program (including most costs of employment and training services) with the states, which operate the program.

cut unemployed people off and leave them without food assistance because they cannot find jobs.<sup>4</sup> Aggravating this problem, the provision authorizes states to cut off an *entire family's* benefits, including the children's benefits — and for an unlimited time — if the parents can't find a job.

Some support for the Southerland provision appears to reflect a mistaken belief that SNAP has no work requirements and many SNAP recipients don't want to work. In reality, SNAP has a severe three-month time limit on receipt of SNAP benefits by unemployed childless adults, and states already can require adults with minor children to search for work and participate in other employment and training programs or else lose their benefits. Moreover, the overwhelming majority of SNAP recipients who can work do so: more than 80 percent of SNAP households with at least one working-age, non-disabled adult worked in the year before or after receiving SNAP.

## States Would Receive Bonus Funds for Cutting People Off SNAP

The Southerland provision would encourage states to cut off families that can't find work in a weak economy. It would require an evaluation in each state that adopted the provision to measure the “total program savings [under the project] ... with results reported in consecutive 12-month increments.” The Secretary of Agriculture would be required to pay a “bonus grant” to each state in “an amount equal to half of the accumulated [SNAP] benefit dollars saved over each consecutive 12-month period, according to the evaluation.”<sup>5</sup>

As a result, states would be paid for half of the cumulative savings from the caseload reduction that occurred each year. The provision would allow states to use these federal funds for “any state purpose, not to be restricted to the supplemental nutrition assistance program or its beneficiary population.” (It should also be noted that funding for the evaluation would be only \$1 million a year *nationally*, an amount insufficient to conduct a rigorous evaluation in even a single state. This strongly suggests the evaluation will largely be an exercise in identifying caseload reductions so that states can reap their bonus payments, not a rigorous assessment of the impact of state actions on household employment and earnings.)

## States Could Impose Harsh Requirements on Vulnerable Individuals

As noted, the Southerland provision would allow an unlimited number of states to require most adults who receive SNAP to work or to participate in a work or training program for at least 20

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<sup>4</sup> The provision includes a clause that states must provide “assurances” that they “intend to offer a work activity” to individuals subject to the requirement, but they would be under no legal obligation to actually provide an activity. The Secretary of Agriculture would not be required to assess whether states do intend to offer a work activity slot. The Secretary would have no recourse, and the state would face no consequences, if states failed or refused to offer slots to SNAP participants subjected to the requirement.

<sup>5</sup> The evaluation described in the provision also includes an “impact evaluation” of the degree to which the state’s “interventions” affect the “ability of adults in households eligible for, applying for, or participating in [SNAP] to find and retain employment that leads to increased household income and reduced dependency.” This language suggests the evaluation would measure the change in household income and dependency attributable to the state’s “intervention.” But the provision does *not* tie this part of the evaluation to the size of the state’s bonus payment. The savings in SNAP benefits could simply reflect families being removed from the program for failure to find a job or work or training activity in which they can participate for at least 20 hours a week. Moreover, because of the extremely inadequate funding provided for these evaluations — only \$1 million a year for all evaluations in *all* states adopting the provision — the evaluations likely would not be able to produce reliable estimates of the provision’s impacts beyond the reduction in caseloads.

hours a week or lose their SNAP benefits. States similarly could require SNAP *applicants* to work 20 hours per week to qualify for the program in the first place. This would undercut SNAP's role as a temporary support to people who seek food assistance after losing a job. Individuals applying for SNAP after a job loss, the time when they need help the most, could be barred from assistance until they regained at least half-time employment.

Under the Southerland provision, states could apply these requirements to people who have long been exempt from SNAP's work requirements because they face serious barriers to employment or are caring for young children or disabled individuals:

- **Parents of young children.** The Southerland provision allows states to require adults with children, except those with a child under 1 year of age, to work or participate in a work or training program for at least 20 hours a week. If a parent of a child aged 6 or over cannot meet this requirement because he or she cannot find a job or a work or training slot, the state could cut off the entire family's benefits, including the children's. (States could require parents with a child between ages 1 and 6 to participate for 20 hours a week but couldn't penalize them if they failed to do so because they were unable to find child care.)

Current SNAP law, in contrast, exempts caretaking adults from work requirements if they are caring for a child under age 6 or do not have child care for children under age 13. Also under current law, a state that wants to apply work requirements to caretaking adults of children aged 6-13 has to either provide or cover the costs of necessary child care (primarily after-school care or care during the summer); the Southerland provision would end that federal requirement. Parents could be forced to choose between leaving their young children unsupervised in dangerous neighborhoods or losing their food assistance.

- **Childless disabled adults, including disabled veterans.** The Southerland provision would apply its half-time work stricture to many people who can't work because they are incapacitated. It exempts only parents who receive or are eligible for Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI). All other adults would be subject to these requirements (unless their state elected to exempt them). This includes childless adults sufficiently disabled to receive SSI or SSDI, as well as parents and other people who have a disability that is severe but isn't expected to last for 12 months — the minimum duration needed to qualify for SSI or SSDI — such as people who have multiple fractures from a serious automobile accident or are recovering from major invasive surgery. Even veterans who are receiving disability compensation because of a severe combat injury would not be exempt under the Southerland provision.

SNAP has long allowed states to excuse people with temporary disabilities from its work requirements — such as someone recovering from major surgery or a severe accident — until they are again able to work. The Southerland provision eliminates that protection.

## **Childless Adults Would Face Three-Month Limit Even in Recessions**

Childless, non-disabled adults aged 18-50 already are prohibited from receiving SNAP for more than three months in a 36-month period unless they are working or participating in a work or training program for at least 20 hours a week. States can, however, request temporary waivers for areas where jobs are extremely scarce, such as during recessions. Almost every state — and

governors of both parties — sought and received these waivers during the recent severe recession. The Southerland provision would prohibit the states that adopt it from seeking these temporary waivers in future bad economies.

## **Provision Includes No New Funding for Job Training, Compromising Work Efforts**

While allowing states to cut people off SNAP who are not working or enrolled in a work or training program, the Southerland provision would bar these states from receiving *any* SNAP Employment and Training (E&T) funding beyond what they received prior to the provision's implementation. Under current law, states receive a small federal SNAP grant to operate SNAP work and job training programs. If they wish to expand these program, federal matching funds are available on a 50-50 basis.<sup>6</sup>

The SNAP E&T program fills a serious gap in job training by targeting low-skilled and unemployed individuals who are *not served* by other employment or training programs — namely, non-disabled, non-elderly adults on SNAP who aren't enrolled in TANF or other programs that have work requirements or otherwise provide work or training activities for people who are out of work. Freezing federal E&T funds, as the Southerland provision does, would make it impossible for the states to expand work programs and child care and transportation assistance through SNAP so that more SNAP households can obtain job training, participate in other work programs, and transition into employment. As a result, states that want to expand job training and related services to SNAP participants — which they now can do — would no longer receive any federal matching funds for doing so.

States could only increase funding for work and training programs at 100 percent state expense. States could try to divert other federal job training funds to SNAP participants, but Department of Labor funds provided under the Workforce Investment Act (WIA) are typically under the control of local workforce boards (not states), and many WIA-funded training programs require that in order to enroll, applicants must already have basic skill levels that many people on SNAP lack. Barring states from drawing down any more federal matching funding for SNAP employment and training programs, as the provision would do, runs flatly counter to the provision's professed goal of moving more people into work. It highlights that the core of the Southerland provision is rewarding states for cutting their caseloads.

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<sup>6</sup> According to the Congressional Budget Office, federal funding for SNAP E&T is expected to total \$326 million in fiscal year 2013: \$99 million in federal grant funds plus \$227 million in funding that is matched 50-50 with state funds. Federal matching funds pay for half of a state's cost of providing additional employment and training services and associated child care, transportation, and other support services.

## Comparisons to TANF Are Misplaced

Some proponents of the Southerland provision compare it to the work requirements of TANF. Yet such comparisons are misguided, for several reasons.

First, the Southerland provision would give states strong financial incentives to cut caseloads that go well beyond how TANF works. Although states can use their federal TANF dollars for purposes other than just cash assistance, they may only use those funds to meet one of the four goals of TANF. If the Southerland provision were akin to TANF, states would only be allowed to use any savings they achieve from cutting caseloads to reduce hunger and food insecurity. The provision contains no such requirement, however, or anything close to it.

Second, the provision creates no accountability structure to ensure that states actually engage unemployed individuals in activities designed to promote work. A recent Congressional Research Service (CRS) report describes the TANF work requirement this way: “The main TANF work requirement is actually a performance measure that applies to states rather than individual recipients.”<sup>a</sup> In TANF, states are held accountable for engaging recipients in work activities, and they face a penalty if they fail to meet the program’s work performance standard. In contrast, the Southerland provision places work requirements exclusively on individuals and includes no performance requirement at all for states.

Finally, the Southerland provision gives states no new funds for job training, support services, or child care for individuals subject to the new work rules. At the time the TANF block grant was created, cash assistance caseloads were already declining because of a strong, rapidly growing economy, as well as improvements in the Earned Income Tax Credit and state demonstration projects. As a result, under the TANF block grant, states immediately had federal funding available to expand their work programs and fund other work supports, such as child care and transportation, to make work feasible for more parents. Between fiscal years 1997 and 2000, states increased the amount of federal and state TANF funds they spent on work activities from \$715 million to \$2.5 billion. Between those same two years, the amount of state and federal TANF funds spent on child care and transportation also increased dramatically. Child care spending more than quintupled from \$1 billion to \$5.9 billion, and transportation spending increased from just \$9 million to \$663 million. In addition, at the same time the TANF block grant was created, other federal funding for child care also increased by 27 percent, giving states additional funds outside the TANF block grant to support the transition to work.

<sup>a</sup> Gene Falk, “The Temporary Assistance for Needy Families Block Grant: Issues for the 112th Congress,” Congressional Research Service, R41781, September 26, 2011 .

## Southerland Provision Is Based on Two Myths About SNAP

The Southerland provision appears to reflect two beliefs: that SNAP has no work requirements and that many SNAP recipients do not want to work and need to be threatened with benefit losses before they will seek a job. In fact, SNAP already has work requirements, and most SNAP recipients who *can* work *do*.

### SNAP’s Work Requirements

**Childless adults.** For unemployed adults without children, SNAP’s highly restrictive rule that limits benefits to three months out of every three years is tougher than that in any other federal program. States are not required to provide, and for the most part do *not* provide, work programs or

job training for these individuals. As a result, this requirement, though initially labeled a “work requirement” when enacted as part of the 1996 welfare law, has essentially become a three-month time limit on assistance for poor unemployed workers, many of whom want to work but can’t find a job.

Since 2009, the three-month limit has been temporarily suspended in most of the country under the 2009 Recovery Act and federally approved waivers, in recognition of the high levels of unemployment in the economy.<sup>7</sup> But as the economy improves, states will no longer qualify for statewide waivers and will be required to reinstate the three-month limit widely. Approximately 1 to 2 million people in a typical month will be disqualified, and cut off or denied SNAP, because of the re-imposition of the three-month limit, even with levels of unemployment still well above normal.

**Families with children.** Families with children face various work requirements in SNAP. First, they are disqualified from SNAP if they do not register for work or accept suitable employment, or if they quit a job without good cause.

Second, if they receive cash assistance, they are subject to work requirements under their state’s TANF program. SNAP buttresses the TANF work requirements: a non-exempt SNAP recipient who is expected to work under TANF but fails to comply with her state’s TANF work requirement is disqualified from SNAP as well, and states can also apply additional SNAP penalties.

For non-TANF families with children, SNAP gives states broad authority to require applicants and recipients to look for work, work off their benefits through workfare programs, attend job skills classes, or engage in other employment and training activities. SNAP rules exempt only a few specific groups (as described above), such as parents caring for young children and people with disabilities. Adults assigned to an employment and training activity who fail to comply face escalating sanctions: one to three months of disqualification from SNAP for the first offense, three to six months’ disqualification for the second offense, and six months to a permanent disqualification for the third offense.

In a typical month of 2011, some 71,000 adults were under sanction for failure to meet SNAP work requirements in households where other household members received SNAP.<sup>8</sup> This is only a fraction of the total number of SNAP recipients disqualified for work-requirement violations — many adults who are disqualified live alone, and hence there are no remaining SNAP participants to be counted in the SNAP data. Other households may drop off the program when one household member’s benefits are sanctioned. In short, while the claim that SNAP imposes no work requirements may make a convenient talking point for the provision’s adherents, it is inconsistent with how the program operates.

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<sup>7</sup> The 2009 Recovery Act included a provision that suspended the three-month time limit for the rest of 2009 and fiscal year 2010. Because almost all states would have been eligible for a statewide waiver from the time limit under longstanding policy, the effect of this provision was primarily to eliminate the need for individual state waiver requests and federal approval. This provision expired on October 1, 2010. For information on the rules for state waivers, see 7 C.F.R. 273.24(f) and USDA guidance from December 3, 1996, March 11, 2004, and January 8, 2009, available at [www.fns.usda.gov](http://www.fns.usda.gov).

<sup>8</sup> CBPP analysis of the Fiscal Year 2011 Characteristics of SNAP Households Quality Control Data. This data set is a sample of *participating* SNAP households. Only households where other household members are still eligible (mostly children) are included in these data.

## Labor Force Participation Among SNAP Recipients Is High

Most SNAP recipients who can work do so. Among SNAP households with at least one working-age, non-disabled adult, more than 80 percent worked in the year prior to or the year after receiving SNAP. For families with children, that rate is almost 90 percent.<sup>9</sup>

In addition, the number of SNAP households that have earnings while participating in SNAP has risen for more than a decade; it has more than tripled from about 2 million in 2000 to about 6.4 million in 2011. The increase was especially pronounced during the recent recession. This suggests that many people have turned to SNAP because of under-employment, such as when one wage-earner in a two-parent family lost a job, had his or her hours cut, or could only find a lower-paying job after being laid off.

The large increase in the number of working SNAP households in recent years has caused the *share* of SNAP households that are working to go up as well, even as the overall number of Americans who are employed declined because of the recession.

SNAP responds to long-term challenges that workers on the lower rungs of the labor market face — challenges that existed before the recession and likely will continue for some time. For workers with limited education and skills, the labor market has been characterized (other than during a brief period in the late 1990s) by stagnant wages and an insufficient number of jobs that provide full-time work with long-term stability and opportunities for advancement.

As a result, many workers with limited education and skills have a difficult time securing decent jobs. When they work, they often find their earnings are insufficient to meet nutritional and other basic household needs. Some workers' wages are so low that even full-time, year-round work is inadequate to keep their family out of poverty. Even before the recession, the share of workers with below-poverty wages was rising, from 23.9 percent in 2001 to 26.4 percent in 2007. The figure reached 28 percent by 2011. And about 40 percent of all wage earners receive hourly pay that would be too low on a full-time, year-round basis to keep a family of four above 125 percent of the poverty line, which is close to the SNAP eligibility level.<sup>10</sup>

Many other jobs pay somewhat higher wages but are part-time or short-term and episodic, leading to low annual earnings and periods of unemployment between jobs. These problems are especially pronounced during periods of economic weakness, but are evident even when the job market is relatively strong. For many workers and families who face these problems, SNAP is a vital work support.

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<sup>9</sup> See Dorothy Rosenbaum, "The Relationship Between SNAP and Work Among Low-Income Households," Center on Budget and Policy Priorities, January 2013. The figures are based on data from the Survey of Income and Program Participation (SIPP) for the mid-2000s, before the recent recession, but preliminary analysis finds that they declined only modestly during the recession.

<sup>10</sup> Economic Policy Institute, *The State of Working America*. (Washington, D.C.: Cornell University Press, November, 2012).

## Conclusion

While promoted as a “work requirement,” the Southerland provision would upend SNAP’s core purpose of providing basic food assistance to needy individuals and families. Providing states with a financial incentive to deny benefits to unemployed people and their families, including many disabled individuals and parents with young children, would compromise SNAP’s ability to respond to economic downturns and runs counter to how the program has operated since its inception. Moreover, the provision is based on the false assumption that SNAP does not have work requirements and doesn’t support work. In fact, large and rising shares of SNAP households have earnings.

Moreover, many SNAP households participate in the program during a temporary period of unemployment, especially following a job loss, and then find new jobs and exit the program. And SNAP already includes a harsh time limit on unemployed childless adults, which the Southerland provision would make more draconian by terminating states’ ability to suspend this time limit during periods of very high unemployment.

Finally, half of the savings from cutting off federal SNAP benefits for vulnerable households would be handed back to states to use for any purpose they chose, including tax breaks for the powerful and well-connected. Such a provision should have no place in the SNAP program.