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House Leadership SNAP Proposal Would Eliminate Food Assistance for 4 Million to 6 Million Low-Income People

By Dorothy Rosenbaum, Stacy Dean, and Robert Greenstein

Shortly before Congress adjourned for its August recess, House Republican leaders disclosed that they plan to move a bill in September that cuts SNAP (the Supplemental Nutrition Assistance Program, formerly known as the food stamp program) by about \$40 billion over ten years — double the cut in the House Agriculture Committee farm bill and almost nine times the SNAP cut in the Senate-passed farm bill. The new bill reportedly will couple the SNAP and other nutrition provisions of the farm bill House leaders unsuccessfully sought to pass in June with two new provisions designed to cut \$20 billion more in benefits — by eliminating states’ ability to secure waivers for high-unemployment areas from SNAP’s severe rule that limits benefits for jobless adults without children to just three months out of every three years.¹

House Republican leaders haven’t formally released the language of their plan, but the information they have made available makes clear that the proposal will be very harsh, denying SNAP to at least four million to six million low-income people, including some of the nation’s poorest adults, as well as many low-income children, seniors, and families that work for low wages. The people whom the proposal would cut off SNAP include but are not limited to:

- 2 million to 4 million poor, unemployed, childless adults who live in areas of high unemployment — a group that has average income of just 22 percent of the poverty line (about \$2,500 a year for a single individual) and for whom SNAP is, in most cases, the only government assistance they receive;²

¹ For more detailed information on these provisions, 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, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3965>; Ed Bolen, Stacy Dean, Robert Greenstein, and Dorothy Rosenbaum, “House Farm Bill Provision Would Pay States to Cut Families Off SNAP Who Want to Work But Cannot Find a Job,” Center on Budget and Policy Priorities, July 9, 2013, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3988>; and Ed Bolen, Dorothy Rosenbaum, and Robert Greenstein, “House Republicans’ Additional SNAP Cuts Would Increase Hardship in Areas With High Unemployment,” Center on Budget and Policy Priorities, August 7, 2013, <http://www.cbpp.org/cms/index.cfm?fa=view&id=4001>.

² CBPP estimates based on 2011 U.S. Agriculture Department SNAP Household Characteristics data, adjusted for changes in SNAP caseloads and other factors, such as anticipated waiver eligibility. The Congressional Budget Office has not estimated the effect of the policy the House Republicans are bringing to the floor in September.

- 1.8 million people, mostly low-income working families and low-income seniors, who have gross incomes or assets modestly above the federal SNAP limits but disposable income (the income the family has available to spend on food and other needs) below the poverty line in most cases, often because of high housing or child care costs. Some 210,000 children in these families also would lose free school meals;³
- Millions of other very low-income, unemployed parents who want to work but cannot find work or an opening in a training program — along with their children other than infants.

Proponents have mischaracterized some of the proposal’s provisions as “work requirements.” In reality, they would terminate basic food assistance to people who would take any job or job training opportunity offered but cannot find one; the proposal doesn’t require states to provide jobs or job training and includes no added funds for these activities. And, though proponents stress the need to promote work, the proposal *cuts* assistance to low-income working families who struggle to afford food.

Proponents’ rhetoric about the importance of work also ignores the fact that most SNAP recipients who *can* work *do* work. 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.⁴

The proposed cuts, which would be on top of a substantial across-the-board benefit reduction for all SNAP households scheduled to take effect in November,⁵ would come at a time when the economy continues to struggle to offer jobs for all who want to work. The economy is creating only 150,000 to 200,000 jobs a month, not much more than needed just to keep up with population growth. Moreover, the percentage of adults with jobs has barely risen since the bottom of the recession.

Though SNAP benefits are modest, at an average of less than \$1.50 per person per meal,⁶ SNAP is the nation’s foremost tool against hunger and hardship, particularly during recessions and periods of high unemployment. During the recent recession, SNAP performed as it was designed to: as millions of Americans lost their jobs and fell into poverty, SNAP responded to the increase in need, helping to avert the harshest impacts of the recession and providing a boost to the economy. Growth in SNAP caseloads has slowed substantially in the past year, and the Congressional Budget Office (CBO) projects that as the labor market recovers and employment improves, SNAP caseloads will fall, and by 2019, costs will return to 1995 levels as a share of the economy.⁷ Claims that large SNAP cuts are needed because SNAP is growing out of control thus are incorrect.

³ Congressional Budget Office, “Cost Estimate of H.R. 6083 Federal Agriculture Reform and Risk Management Act of 2012,” July 26, 2012. CBO has not, this year, provided publicly the information about the number of people affected by this provision, but the CBO cost estimates for this year are only slightly different from last year’s estimates.

⁴ Dorothy Rosenbaum, “The Relationship Between SNAP and Work Among Low-Income Households,” Center on Budget and Policy Priorities, January 29, 2013, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3894>.

⁵ Stacy Dean and Dottie Rosenbaum, “SNAP Benefits Will Be Cut for All Participants in November,” Center on Budget and Policy Priorities, revised August 2, 2013, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3899>.

⁶ This amount will drop to less than \$1.40 after the November benefit cut.

⁷ Chad Stone, Jared Bernstein, Arloc Sherman, and Dorothy Rosenbaum, “SNAP Enrollment Remains High Because the Job Market Remains Weak,” Center on Budget and Policy Priorities, July 30, 2013, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3996>.

The impact of these cuts on communities, as well as individuals, would be significant and felt throughout the country. The increased demand on already-strained local services and charities would be substantial — either displacing support for other needy residents, such as seniors and low-income working families, or leaving those cut off without sufficient food. (Table 1 provides information about the state-by-state impacts of the cuts.)

Encouraging States to End SNAP for Poor Families That Cannot Find Work

The House leadership proposal would allow states to cut off SNAP benefits to most adults who are receiving or applying for SNAP, including parents with children as young as 1 year old, if they are not working or participating in a work or training program for at least 20 hours a week. This provision, originally proposed by Rep. Steve Southerland (R-FL), authorizes states to cut off an *entire family's* food aid, including their children's — and for an unlimited time — if the parents can't find a job or job training slot.

The provision gives states a strong financial incentive to take up this option. They could keep half of the federal savings from cutting people off SNAP and use the funds for any purpose, including *tax cuts and special-interest subsidies*.⁸

The provision provides no jobs or additional funds for work program or training slots. In fact, it forbids states to draw down additional federal matching funds for job training programs or child care or transportation assistance that recipients might need to work or participate in training. Nor does it require a state to provide any work or training slots to people who cannot find jobs.

Millions of low-income adults and children live in households that could be affected by the Southerland provision. Potentially affected households (those that states would not be required to exempt) have very low incomes, averaging just 42 percent of the federal poverty line, or \$8,200 for a family of three. For many such families, SNAP benefits stand between them and destitution.⁹

Some support for the Southerland provision appears to reflect the mistaken beliefs that SNAP has no work requirements and that most 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 (see below), and states already can require adults with minor children to search for work, accept a job offer, and participate in other employment and training programs or else lose their benefits. In addition, as noted, 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.

(For more information on this provision, see our paper, "House Farm Bill Provision Would Pay States to Cut Families Off SNAP Who Want to Work But Cannot Find a Job," <http://www.cbpp.org/cms/index.cfm?fa=view&id=3988>.)

⁸ CBO has not estimated the budgetary effects of this amendment.

⁹ These figures exclude households without children, i.e., childless, unemployed adults. If they are included, average annual income is \$6,400 or 33 percent of the federal poverty line.

Eligibility Cuts for Jobless Workers Could Affect 170,000 Veterans

Those affected by the bill's harshest provisions include low-income veterans. Census data indicate that approximately 900,000 veterans receive SNAP each month. This figure is almost surely understated, as the Census data do not capture receipt among homeless veterans (who are not part of the Census survey) and understate receipt of SNAP overall.

An estimated 170,000 of those 900,000 veterans could be affected by the two provisions that threaten food aid for jobless workers.

The first is the "Southerland" provision, which allows and encourages states to terminate assistance to non-elderly jobless adults (and their families) who can't find work or an opening in a training program. The second is the provision that would require states to terminate food aid to people ages 18 to 50 not raising minor children who live in areas of high unemployment and are out of work and not in a job training program (even if none is available).

Other cuts in the bill, including the cut targeted at low-income working families with high housing or child care costs, could affect additional veterans and their families.

Cutting Off Unemployed Childless Adults Even When Jobs Are Scarce

The 1996 welfare law limits adults between ages 18 and 50 who aren't disabled or caring for minor children to three months of SNAP benefits out of every three years, unless they are working at least 20 hours per week or participating in a qualifying workfare or job training program. Since few states operate workfare or training programs for these individuals (either at all or on more than a very small scale), most of these people are simply cut off SNAP after three months, even if they have been looking hard for work and will accept any available job or training slot.

To mitigate the provision's impact when the economy is weak, the provision's authors (it was sponsored by two conservative House Republicans and enacted in 1996) designed it to allow states to request a temporary waiver for areas with high unemployment. States must provide detailed Labor Department unemployment data for areas within the state or meet federal requirements for qualifying for extended or emergency unemployment benefits (which require a high unemployment level). During the recent recession and its aftermath, which has featured continued high unemployment, virtually every state (more than 45 states in fiscal year 2013), with governors of both parties, has sought and received waivers.

The House proposal would reportedly eliminate this waiver authority, *immediately* terminating food assistance to 2 million to 4 million poor jobless individuals who live in areas of high unemployment, even if they want to work and are willing to take a job or participate in a training program.¹⁰ As under the Southerland provision, states would not have to provide work or training for those seeking a job or a place in a work or training program.

The individuals at risk of losing basic food assistance are among the nation's poorest, with average incomes just 22 percent of the poverty line or about \$2,500 a year. For most of them, SNAP is the only state or federal income assistance available.

¹⁰ CBPP estimate based on 2011 USDA SNAP Household Characteristics data, adjusted for changes in SNAP caseloads and other factors, such as anticipated waiver eligibility. CBO has not yet estimated the effects of the new provisions that will be included in the SNAP bill that House leaders will bring to the House floor in September.

They are a diverse group. More than 40 percent are women. One-third are over age 40. Among those who report their race, about half are white, a third are African American, and a tenth are Hispanic. Half have only a high school diploma or GED. They live in all areas of the country, and among those for whom metropolitan status is available, about 40 percent live in urban areas, 40 percent in suburban areas, and 20 percent in rural areas.

In addition to driving several million people off SNAP immediately, this provision would prevent states from extending SNAP to newly jobless, childless workers in future recessions, no matter how high the unemployment rate climbs and how severe the downturn is.

(For more information on this reported provision, see our paper, “House Republicans’ Additional SNAP Cuts Would Increase Hardship in Areas With High Unemployment,” <http://www.cbpp.org/cms/index.cfm?fa=view&id=4001>.)

Eliminating SNAP Eligibility That is Based on “Expanded Categorical Eligibility”

In addition to the two provisions described above, House leaders have indicated that their proposal will also include the SNAP and other nutrition provisions of the farm bill they unsuccessfully sought to pass in June. One of the most significant provisions in that package would terminate SNAP for 1.8 million people by eliminating an option that allows states to extend benefits to certain low-income households with gross incomes or assets modestly above federal SNAP limits, particularly low-wage working families and certain low-income elderly individuals.¹¹ Most of the savings would come from eliminating SNAP benefits for working households. In addition, 210,000 children in low-income families whose eligibility for free school meals is tied to their receipt of SNAP would lose free school meals when their families lose SNAP benefits.¹²

SNAP’s gross income test and asset test deny eligibility to many families who face real difficulties making ends meet:

- Under standard SNAP rules, a household’s gross income must be at or below 130 percent of the poverty line. This limit excludes some low-income working families whose *gross* income exceeds 130 percent of the poverty line but whose *disposable* income — the amount of income the family has that is available to spend on food — is below the poverty line, often because the family must incur sizeable child care costs in order to work or faces very high housing costs that consume most of its income.
- In addition, under standard SNAP rules, a household must not have more than \$2,000 in assets. This limit has not been adjusted for inflation in more than 25 years and has fallen 53 percent in real (i.e., inflation-adjusted) terms since 1986. In some states, a household that owns a car with a market value of \$6,750 would exceed the asset limit, even if the household had little equity in

¹¹ Individuals impacted by the proposal to restrict categorical eligibility have very little overlap with those that would lose eligibility from the proposal to eliminate waivers from the three-month time limit. As a result, the number of people impacted by the provisions is essentially additive.

¹² 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, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3965>.

the car, needed the car to get to work (especially in rural areas), and had virtually no savings or other assets.

The 1996 welfare law allows states to align their SNAP gross income limit and asset test with the eligibility rules they use in programs financed by Temporary Assistance for Needy Families (TANF). Over 40 states have taken this option, known as expanded (or broad-based) categorical eligibility, to align program rules, simplify programs, cut administrative costs, and broaden SNAP eligibility to certain families in need, primarily low-wage working families with high expenses for costs such as child care. This option does not result in households being enrolled automatically; households must still apply through the regular SNAP application process, which has rigorous procedures for documenting applicants' income and circumstances.

A typical working family that qualifies for SNAP due to categorical eligibility is a mother with two young children who has monthly earnings just above the program's monthly gross income limit (\$2,069 for a family of three in 2013). On average, the families above that limit who qualify for SNAP as a result of categorical eligibility have combined child care and rent costs that exceed half of their wages. The approximately \$100 per month in SNAP benefits they receive covers about one-fourth to one-fifth of their monthly food budget.¹³

(For more information on the provision to restrict the categorical eligibility option and other provisions that were included in the House Agriculture Committee's farm bill proposal, H.R. 1947, see our paper, "House Agriculture Committee Farm Bill Would Cut Nearly 2 Million People Off SNAP," <http://www.cbpp.org/cms/index.cfm?fa=view&id=3965>.)

Restricting a Simplification Option for Determining Household Benefit Levels

The proposal would restrict states' ability to use an important program simplification that reduces paperwork in determining household benefit levels. Based on Congressional Budget Office estimates, this provision would reduce benefits for about 850,000 households with 1.7 million people (most of whom reside in 15 states), with these households' benefits cut by an average of about \$90 a month. (Table 1 lists the 15 states.) This produces an \$8.7 billion benefit reduction over ten years. The households affected by the cut would disproportionately be low-income seniors, people with disabilities, and working-poor families with children.

Under current SNAP rules, households with high housing (including utility) costs receive larger SNAP benefits since they have less income remaining for food. It can be time consuming for caseworkers and families to try to determine a household's actual utility costs, which fluctuate from month to month. So, to simplify program administration, states can use a standard utility allowance (SUA) — reflecting typical low-income households' utility bills in the state — as a proxy for what households pay for utilities.

As another simplification, states can provide this SUA to households that receive energy assistance through the Low Income Home Energy Assistance Program (LIHEAP). For several decades, SNAP households that receive LIHEAP have been eligible for the SUA, based on the

¹³ Based on CBPP analysis of SNAP quality control administrative data for 2011 regarding households whose incomes exceed the federal SNAP limit but qualify for SNAP because of categorical eligibility. The analysis excludes the effects of the 2009 Recovery Act's SNAP benefit increase because that increase will already have expired during all but one month of the 2014-2023 budget period.

LIHEAP program's determination that such low-income households have energy bills they need assistance in meeting.

In recent years, some states have provided a nominal LIHEAP benefit of \$1 to \$5 to SNAP households to qualify them for the SUA, which in turn qualifies them for higher SNAP benefits. As a result, some low-income households that pay utilities through their rents, rather than directly, have received a larger deduction for their housing costs.

The farm bills that the Senate passed this year and last, as well as the farm bill the House passed last year, took a targeted approach to addressing this issue and removing the SUA for households receiving these nominal LIHEAP benefits. This year's House SNAP SUA proposal, however, takes a blunter approach and goes further than is needed to curb the practice some states have used of providing nominal LIHEAP payments to households that don't actually incur out-of-pocket heating or cooling costs. In so doing, the House provision doubles the benefit cut in this area relative to last year's bills and this year's Senate bill.

Other Provisions

The original House farm bill proposal also includes several provisions that would cut SNAP in other ways, as well as a few small provisions to modestly increase funding for entities such as food banks.

- **Eliminating incentive payments to improve program administration.** The bill would eliminate payments established on a bipartisan basis in 2002 to encourage states to reduce payment errors and improve services to low-income families. Because SNAP's previous system for measuring state performance only assessed states' payment accuracy, it had the unintended effect of rewarding many states that made it harder for eligible working-poor families to receive SNAP, because those states' error rates were lower than other states'. (It is harder for states to determine SNAP benefit levels for working families with precise accuracy because their incomes fluctuate depending on their hours of work, loss of work due to sick days, etc.) The states, the Bush Administration, and Congress worked together in 2002 to build a more balanced accountability system.

The system they developed remains the most rigorous of any federal benefit program; it encourages states to improve *both* program integrity *and* overall SNAP operations. Performance bonuses are available to the top and the most improved states across four measures. The success of the system is reflected in the decline in SNAP error rates: the percentage of SNAP benefits that are overpaid in error fell to just 2.77 percent in 2012.¹⁴ Nevertheless, the House proposal would eliminate these performance incentives.

- **Permanently denying SNAP to certain ex-offenders.** A provision of the original House bill originally offered by Rep. Tom Reed (R-NY) would bar from SNAP — for life — anyone convicted of one of a specified list of violent crimes after the bill's enactment, regardless of whether they had served their sentence and complied with all terms of release, probation, and parole (and hence paid their debt to society).

By making it harder for ex-offenders to reintegrate into society, this provision could contribute to recidivism. Ex-offenders often have difficulty finding jobs that pay decent wages. The

¹⁴ The underpayment rate was 0.65 percent for a combined error rate of 3.42 percent.

provision would also affect children and other family members, since the family would have another person to feed but would not qualify for any additional SNAP benefits.

- **Cutting funding for nutrition education.** The proposal would cut funding for SNAP's nutrition education program (SNAP-Ed), which promotes healthy eating choices among low-income households. Under the bill, SNAP-Ed's fiscal year 2014 funding would be reduced by \$26 million, from \$401 million to \$375 million, and adjusted each year thereafter for inflation, resulting in a ten-year reduction of \$274 million. This proposed to future funding cut comes on the heels of the program's fiscal year 2013 budget cut of 28 percent.

With an average of less than \$1.50 per person to spend on each meal, SNAP participants face difficult economic choices at the grocery store, where less nutritious food is often cheaper than healthier options. SNAP-Ed works to improve low-income individuals' knowledge and skills related to making healthy food choices, stretching food budgets, and preparing nutritious meals. Cutting these funds compromises states' ability to run adequate-size programs.

- **Small positive provisions.** The bill contains a few positive provisions of small size, amounting to about \$430 million over ten years, a tiny fraction of the \$40 billion in cuts. For example, the bill would provide \$50 million in new funding to enhance the U.S. Agriculture Department's efforts to prevent retailers from accepting SNAP benefits for non-food items, known as trafficking, and more than \$200 million in increased funding for food banks. For information on these provisions, see our paper: "House Agriculture Committee Farm Bill Would Cut Nearly 2 Million People Off SNAP," <http://www.cbpp.org/cms/index.cfm?fa=view&id=3965>.

Conclusion

SNAP reflects the nation's commitment to reducing hardship and helping to ensure that poor Americans — including those who are out of work and their children — can afford food. At the same time, it provides a helping hand to low-income working families whose earnings are not enough to make ends meet. The fact that the majority of SNAP households with an adult who isn't elderly or disabled work while they receive SNAP assistance, and more than 80 percent of such households work in the year before or after SNAP receipt, makes clear that the program is an important support for working families that fall on hard times.

As the nation continues to climb out of the deepest recession in decades, many families continue to struggle to meet their basic food needs, facing a lack of jobs for many who are out of work and low wages for many who have jobs. The House SNAP proposal pays little heed to these economic conditions. Instead, it would deny needed food assistance to millions of low-income Americans and thereby cause a substantial increase in hardship and destitution.

Table 1

State-by-State Impact of SNAP Cuts in House Proposal

State/Territory	Number of SNAP Participants Aged 18-50, Not Raising Minor Children, and Not Employed 20 Hours Per Week*	Has the State Adopted the Expanded Categorical Eligibility Option? **		Affected by House Standard Utility Allowance Change
		Asset Test	Income Test	
Alabama	74,000	Yes		
Alaska	10,000			
Arizona	96,000	Yes	Yes	
Arkansas	43,000			
California	346,000	Yes		Yes
Colorado	28,000	Yes		
Connecticut	41,000	Yes	Yes	Yes
Delaware	11,000	Yes	Yes	Yes
District of Columbia	22,000	Yes	Yes	Yes
Florida	414,000	Yes	Yes	
Georgia	168,000	Yes		
Guam	1,000	Yes	Yes	
Hawaii	16,000	Yes	Yes	
Idaho	18,000	Yes		
Illinois	182,000	Yes		
Indiana	66,000			
Iowa	34,000	Yes	Yes	
Kansas	27,000			
Kentucky	88,000	Yes		
Louisiana	71,000	Yes		
Maine	27,000	Yes	Yes	Yes
Maryland	77,000	Yes	Yes	
Massachusetts	64,000	Yes	Yes	Yes
Michigan	212,000	Yes	Yes	Yes
Minnesota	41,000	Yes	Yes	
Mississippi	52,000	Yes		
Missouri	88,000			
Montana	12,000	Yes	Yes	
Nebraska	10,000	Yes		
Nevada	31,000	Yes	Yes	
New Hampshire	8,000	Yes	Yes	
New Jersey	59,000	Yes	Yes	Yes
New Mexico	32,000	Yes	Yes	
New York	211,000	Yes		Yes
North Carolina	165,000	Yes	Yes	
North Dakota	3,000	Yes	Yes	
Ohio	163,000	Yes		
Oklahoma	47,000	Yes		
Oregon	120,000	Yes	Yes	Yes
Pennsylvania	124,000	Yes	Yes	Yes
Rhode Island	14,000	Yes	Yes	Yes
South Carolina	95,000	Yes		
South Dakota	7,000			
Tennessee	159,000			

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Texas	109,000	Yes	Yes	
Utah	23,000			
Vermont	8,000	Yes	Yes	Yes
Virginia	68,000			
Virgin Islands	1,000	Yes		
Washington	124,000	Yes	Yes	Yes
West Virginia	25,000	Yes		
Wisconsin	71,000	Yes	Yes	Yes
Wyoming	2,000			
United States	4,000,000	43	27	15

*These estimates, based on the latest available data, are for fiscal year 2011. The current figures may be different because of changes in the number of individuals who are eligible for and apply to participate in SNAP and for other reasons.

**These states have adopted broad-based categorical eligibility. Additional states have narrow categorical eligibility (beyond cash assistance, but not affecting large numbers of households) and may also have some households that would be cut off SNAP.

Sources: USDA, Food and Nutrition Service, Broad-based Categorical Eligibility Chart, and private correspondence. CBPP analysis of the 2011 USDA data on SNAP Household Characteristics. See

<http://www.fns.usda.gov/snap/rules/Memo/BBCE.pdf> and <http://www.fns.usda.gov/snap/government/program-improvement.htm>.