



Perspectives on the 2018 Farm Bill from California Key Points about the SNAP/CalFresh Program

We appreciate the opportunity to submit testimony in support of the Supplemental Nutrition Assistance Program, or CalFresh as it is known in California. Providing critical food assistance to more than 44 million people in this country, including 4,340,000 Californians (11% of the state population), SNAP is the nation's most important anti-hunger program. We thank CDFA for your longstanding support for the program and urge you to oppose any efforts to make structural changes to the program or weaken access to the program.

SNAP/CalFresh Helps Families Put Food on the Table:

- **SNAP is the first line of defense against hunger and is an effective anti-poverty program.** Nationwide, SNAP kept about 10.3 million people out of poverty in 2012, including about 4.9 million children. In California, the program kept 806,000 people out of poverty each year from 2009-2012, including 417,000 children.
- **At an average of just \$1.54 per person per meal in California, SNAP benefits are extremely modest but they can be a significant addition to a low-income household's budget.** When families are not as worried about putting food on the table, they are better able to pay for the basics like rent to keep a roof over their head, car repairs and transportation to help them get to work.
- **The overwhelming majority of SNAP participants are poor children, seniors, or people with disabilities.** Nationwide, nearly 90 percent of participants are in households that contain a child under age 18, an elderly person 60 years or older, or a disabled individual. In California, 74% are in families with children and almost 50% are in working families.
- **SNAP serves a vital role in improving the health and well-being of low-income children by helping their families afford adequate, nutritious food.** In California, 74% of CalFresh participants are in families with children. The program has proven to be a smart investment that has short and long term benefits for children. Studies show that adults who received SNAP as a child have higher high school completion rates and lower rates of stunted growth, obesity and heart disease than non-SNAP counterparts.
- **SNAP also is an important support for people living on fixed incomes, ensuring that seniors and people with disabilities do not have to choose between purchasing food and lifesaving medications.** In California, almost 6% of CalFresh participants are in families with a senior or person with a disability. This percentage is low compared to other states due to California's "cash-out" policy, which makes SSI/SSP recipients ineligible for CalFresh.

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SNAP Caseloads Are Declining as the Economy Improves:

- **SNAP is designed to respond to changes in the economy, growing to help those in need during economic recessions and then shrinking when the economy improves.** SNAP caseloads grew significantly between 2007 and 2012 as the recession and lagging recovery led more low-income households to qualify and apply for help. Since peaking in 2012, the number of people participating in SNAP has declined by more than 4 million people or 9 percent, reflecting the responsiveness of the program to the improving economy.

SNAP Helps the Local Economy and Generates Business for Retailers:

- **SNAP boosts local economies.** In 2016, SNAP households redeemed over \$4 billion in benefits throughout California. Because most households redeem their monthly SNAP benefits quickly, SNAP is one of the most effective forms of economic stimulus during a downturn. Economists estimate that in a weak economy, every dollar that households redeem under SNAP expands the economy by about \$1.70. CalFresh benefits pumped about \$7.2 billion into California's economy in 2016.
- **SNAP represents an important public-private partnership with retailers throughout the country.** Program participants use their benefits in grocery stores, supermarkets and other food retailers to purchase food. With more than more than 260,000 retailers participating in SNAP nationwide, the program represents an important public-private partnership. While conveniences stores are the most common type of authorized retailer, SNAP participants redeem over 80 percent of their benefits at superstores, supermarkets, and grocery stores, even though these stores comprise only 14 percent of all available retailers. Superstores alone redeem over half of all benefits.
- **SNAP generates business for California retailers.** California has over 26,900 retailers who accept SNAP/CalFresh as a form of payment for food purchases, redeeming a total of over \$4 billion in benefits in 2016. Stores throughout the state from Marina Supermarket in San Francisco to Safeway in Humboldt to farmers' markets across the state accept CalFresh. SNAP plays an especially critical role for stores located in high poverty areas, since a significant portion of overall sales are from shoppers who use SNAP to help buy their groceries.

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SNAP Must Be Protected from Structural Changes:

We urge you to oppose any efforts to make structural changes to the program or weaken access to benefits. Block granting the Supplemental Nutrition Assistance Program (SNAP) would end our country's most effective and important response to hunger and put its participants, including 1 in 4 of our nation's children, at risk.

- **A block grant or a capped funding structure of any kind would eliminate SNAP's ability to respond to increased need during an economic downturn.** Currently, anyone who qualifies under SNAP rules can receive benefits. As a result, SNAP responds quickly and effectively to support low-income families and communities during times of increased need. Enrollment expands when the economy weakens and contracts when the economy recovers and poverty declines. A block grant or capped funding is not responsive to need.
- **SNAP would not be able to respond automatically to increased food needs of individuals caused by natural disasters.** Currently, states can provide emergency SNAP within a matter of days to help low income disaster victims purchase food. In 2015, SNAP helped households affected by the Lake County wildfires in California, severe weather and tornadoes in Missouri, severe storms and flooding in South Carolina and Wyoming, and severe snow storms in Massachusetts. Under a capped funding structure, states would not have sufficient funds from the federal government to respond quickly to increased need in an emergency.
- **Under a block grant or capped funding structure, states would be able to shift funds away from food assistance to other purposes, which they would be tempted to do when they face large budget shortfalls.** Block grant proposals include promises of flexibility, allowing states to shift funds to other programs. SNAP includes several non-food components such as job training and related child care as well as nutrition assistance. Under a block grant structure states could and would easily divert funds away from food to these purposes and withdraw *state* funds currently expended for these services to help fill budget gaps or fund other programs.
- **SNAP would no longer be able to ensure that poor families can obtain an adequate diet regardless of where they live.** Currently, states must enroll all eligible families in SNAP, with the federal government reimbursing the entire cost of the benefit. If states have insufficient funding to meet the needs of eligible populations either due to lower federal funding, increased need for the program or shifting funds away from the program, they will be forced to establish wait lists, cut benefits or cut eligibility. And, states could design entirely different programs result in children in Arizona getting different food benefits than those in California.

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Preserve Positive State Options

- **Protect Broad-Based Categorical Eligibility:** CFPA opposes any attempt to restrict the use of this long-standing administrative tool which enables California and other states to employ a set of policies that make a SNAP applicant eligible based on involvement with other low-income programs. The House would restrict categorical eligibility to only those households receiving cash assistance from programs such as TANF/CalWORKS, SSI or a general assistance program. If enacted, the Congressional Budget Office (CBO) estimates that 2.1 million individuals nationwide would lose eligibility in FY 2014.
- **Preserve Waivers for Childless Adults:** CFPA opposes any provision to end waivers to states allowing them to continue SNAP benefits for longer than three months for single, childless adults during times of high unemployment. For at least the last 16 years, Republican and Democratic administrations have granted such waivers. The 1996 law enacting the Temporary Assistance for Needy Families program limits SNAP benefits for three months every three years for able-bodied adults without dependents (ABAWDs) between ages 18 and 50 unless they are working at least 20 hours a week or participating in an employment and training program. In California, ending this provision may affect approximately 450,000 people (or 8.7% of the total CalFresh population), many of them returning veterans and former foster youth.
- **Coordination of Low-Income Home Energy Assistance Program (LIHEAP) Benefit:** In 2014, California began using the state option to count a LIHEAP payment made to a household to enable them to the full standard utility allowance when determining the SNAP eligibility and benefit levels. This administrative provision is similar to categorical eligibility since it reduces administrative costs and increases SNAP benefits to needy individuals and families. CFPA opposes any provision that would limit a state's ability to apply the LIHEAP payment when calculating a SNAP benefit. In the 2014 Farm Bill, CBO estimated that the House provision would reduce SNAP benefits to about 1.7 million individuals who would see their already insufficient household benefit cut by an average of about \$90 a month.



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Promote Policies that Improve Benefit Adequacy

Over time, pay for America's workers has remained stagnant while the cost of living has continued to rise. As a result, the current SNAP benefit formula does not necessarily reflect the true food purchasing abilities of low-income households.

- Increase SNAP allotments by updating the Thrifty Food Plan to accurately reflect inflation and household food expenditures
- Increase SNAP allotments by shifting from the Thrifty Food Plan to Low Cost Food Plan
- Continue Investing in SNAP Nutrition Incentive Programs

Promote Healthy Incentives, Not Restrictions that Stigmatize

The USDA Food Insecurity Nutrition Incentives Program and the California Nutrition Incentives Program, in partnership with farmers' markets and other retail outlets across the state, have helped CalFresh customers to purchase over \$4 million in additional fruits and vegetables since the program's inception. Healthy incentives have been proven to improve the nutrition of CalFresh purchases and should be further expanded in the next Farm Bill. Conversely, there is no scientific evidence to support the restriction of CalFresh purchases as a means to improve participants' diets. Restrictions on CalFresh purchases would be ineffective, difficult for retailers to implement, and serve only to stigmatize low-income CalFresh participants.

In summary, it is critical that SNAP is protected in the Farm Bill. There is more than 40 years of evidence that support SNAP as one of countries greatest success stories. Its modest benefits lift millions of individuals, including children out of poverty and ensure that low income Americans can afford an adequate diet. The program is targeted at the very poor, has strong program integrity and boosts food purchases at more than 200,000 food stores nationwide.

Thank you for the opportunity to provide written testimony. If you have any further questions, please contact:

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