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\$5 Billion in Automatic Cuts to America's Food Stamp Program Go Into Effect

Economic stimulus spending dedicated to funding America's food stamp program, in place since 2009 due to the Great Recession, expired on November 1, 2013. As a result, \$5 billion is being cut automatically from the federal government's 2014 budget for the food stamp program, now known as the Supplemental Nutrition Assistance Program (SNAP).

Congress has begun renewed conference committee work to negotiate a 2014 Farm Bill that will decide the future of the SNAP budget. The Farm Bill, which is reauthorized every five years, is the single largest source of federal funding for federal hunger-relief programs. In addition to setting policy for programs like SNAP, it also funds the Emergency Food Assistance Program (TEFAP), and the Commodity Supplemental Food Program (CSFP) – all programs that put food on the table for Americans struggling with hunger.

However, Congressional observers and food policy experts anticipate that federal budget negotiations are likely to result in further cuts as conservative lawmakers push for lower government spending in entitlement programs like food stamps for the poor.

What are the practical consequences of these budget reductions?

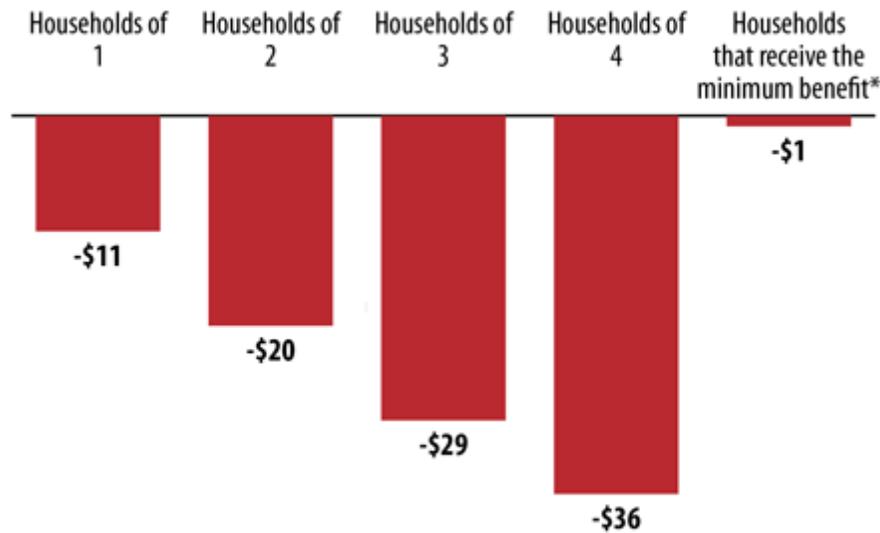
On the "macro" level, the immediate and automatic cut of \$5 billion for fiscal year 2014 will increase dependency on charity for one of the most basic things in life: food. Also, the cuts will affect America's economic recovery, as fewer dollars will be spent on food. Because the end of the stimulus program will reduce federal food-stamp spending by \$5 billion in 2014, every state will be affected. For example, California will see a \$457 million drop in spending over the upcoming year, while Texas will lose \$411 million as a result.

According to said Jennifer Bartashus, senior analyst for food retailing for Bloomberg Industries: "All retailers who sell food are likely to feel the impact of cuts, since people receiving assistance often don't have excess income to make up the difference."

On the "micro" level, the automatic cuts translate into 21 fewer meals a month for a family of four, or 16 fewer meals for a family of three, according to the Center on Budget and Policy Priorities. Moreover, these cuts will be felt in every community across America.

All SNAP Households Will See a Cut in November 2013

Monthly cut in SNAP benefits by household size



*Households of size 1 or 2 that qualify for less than \$16 have their benefits rounded up to the minimum benefit. That amount will drop to \$15 in FY2014.

Source: U.S. Department of Agriculture, "SNAP - Fiscal Year 2014 Cost-of-Living Adjustments and ARRA Sunset Impact on Allotments," August 1, 2013

Center on Budget and Policy Priorities | cbpp.org

The Department of Agriculture calls SNAP the “cornerstone of the nation’s programs for reducing food insecurity and hunger.” SNAP spending grew from \$35 billion in 2007 to \$78.4 billion in 2012, as the ravages of the Great Recession hit families across America. In 2012, over 47 million Americans participated in SNAP, around an 80% increase from 2007 when the Great Recession began.

Increases in government funding for SNAP have not kept pace with the increased demand generated by the Great Recession, according to nutrition experts and food bank coordinators. The typical family gets \$278 a month, and benefits are means-tested. “Even though the recession is officially over, I have yet to talk to a food bank who has said that their need has slackened or gone down,” says Ross Fraser, a spokesman for Feeding America, a network of more than 200 food banks, who recently was quoted in a Time magazine feature story on the subject. “The last thing on Earth we need is to make it harder for very low-income people to access enough food to feed themselves and their families.”

Despite these circumstances, the current tone of politics in Washington D.C. indicates that the decline in SNAP benefits is unlikely to be reversed anytime soon. In fact, Congress is preparing to impose further cuts through the Farm Bill that will dictate budget allocations for SNAP and other agriculture-based programs for several years to come.

In the last week of October (the end of the federal government’s Fiscal Year 2013), the House and Senate had their first Farm Bill conference meeting to try and enact a new 5-year plan for agricultural policy and SNAP. The agriculture industry, estimated to serve some 16 million jobs, has relied upon temporary provisions since 2012.

The debate over SNAP has become acute because the poverty level in America has reached the highest levels seen in over a generation. The number of Americans living in poverty stood at 46.5 million last year, or 15% of the country's population. Because of this, SNAP funding has grown to comprise nearly 80% of all spending in the Farm Bill.

Yet Republican leaders in the U.S. House of Representatives are seeking an additional \$40 billion in cuts over 10 years, while a bipartisan Senate plan passed this summer requested about \$4 billion.

As the 2014 Farm Bill goes to conference, the following Congressional leaders will be instrumental in deciding the future of SNAP:

- House Agriculture Committee Chairman Frank Lucas (R- OK.);
- House Agriculture Committee ranking member Collin Peterson (D-MN.);
- Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI.); and
- Senate Agriculture Committee ranking member Thad Cochran (R-MS.).

The Senate-passed budget for fiscal year 2014 is about \$90 billion more than a House-passed version. Budget proposals being debated in the joint conference committee trying to craft the 2014 Farm Bill are considering cuts ranging from \$18 billion over 10 years in the Senate plan to \$52 billion in the House. Of those amounts, the Senate would take \$3.9 billion from nutrition programs while the House would cut \$39 billion, according to nonpartisan congressional estimates. The House plan would also require work or job training and let states drug-test recipients as a condition of eligibility.

Provision	10-year Cut	Number of Individuals Cut Off SNAP	
		Fiscal Year 2014	Average 2014 to 2023
Cutting Off Unemployed Childless Adults Even When Jobs Are Scarce (Eliminates Waivers) (Sec. 109)	-\$19 billion	1.7 million	1 million
Eliminating SNAP Eligibility That Is Based on "Expanded Categorical Eligibility" (Sec. 105)	-\$11.6 billion	2.1 million	1.8 million
Encouraging States to End SNAP for Poor Families That Cannot Find Work (Southerland Amendment) (Sec. 139)	CBO has not estimated the effect on SNAP caseloads, benefits, or bonus payments to states.		
Restricting a Simplification Option for Determining Household Benefit Levels (LIHEAP/SUA) (Sec. 107)	-\$8.7 billion	N.A.	850,000 households would lose an average of \$90 a month
Other Provisions and Interactions (See Table 2, below)	\$0.2 billion	N.A.	
Total	-\$39.0 billion	At least about 3.8 million	At least about 2.8 million

Notes: Based on Congressional Budget Office letter to the Honorable Frank D. Lucas, September 16, 2013.

Currently, the competing Congressional proposals measure up as follows:

The Senate approved a draft Farm Bill that would make comparatively minor changes to the food-stamp program, saving \$4.5 billion over 10 years (compared with current law). While still making cuts, proponents of the Senate draft predict that an improving economy eventually will result in fewer food stamp recipients, so that these reductions can be absorbed without producing a calamitous impact on public nutrition.

The House, meanwhile, is supporting a bill that would cut \$39 billion from the program over 10 years, largely by tightening restrictions on who could qualify for food stamps. The House bill would remove 3.8 million people from the food-stamp rolls over the upcoming year by making two big changes:

1. First, it would reinstate limits on benefits for able-bodied, childless adults aged 18 to 50. These recipients would only be able to collect limited benefits — up to three months over a three-year period — unless they worked more than 20 hours per week or enrolled in job-training programs. (States currently can waive these latter requirements when unemployment is high.) Conservatives have argued that reinstating the work requirements will encourage adults to find jobs more quickly. Critics, including food bank operators who serve as the frontline in the fight against hunger, counter that employment opportunities are still scarce in many parts of the country, and that if the House bill becomes law many Americans simply will lose their food aid without finding work. This change would remove an estimated 1.7 million people from the food-stamp rolls.
2. The second big change is that the House bill would restrict states' abilities to determine a person's eligibility for food stamps based in part on whether they qualify for other low-income benefits. This is known as "categorical eligibility" and has generally allowed families just above the poverty line to receive food stamps if they have unusually high housing costs or are facing other hardships. This second change would take another 2.1 million people off food stamps in 2014 and then remove an additional 1.8 million people per year for the next decade.

Additional cuts to SNAP and other federal nutrition programs will be challenging for recipients balancing work, family and budgets. According to Kevin Concannon, the U.S. Department of Agriculture's undersecretary for the agency that that administers the food-stamp program, approximately 40 percent of food-stamp recipients live in households with at least one member working.

Why is all of this more than just a budget debate?

SNAP and other nutrition programs empowering one-in-seven Americans to access food and nutrition make a huge difference in the health and well-being of our nation. For example, a 2012 peer-reviewed research paper, ***Long Run Impacts of Childhood Access to the Safety Net*** authored by researchers Hilary Hoynes, Diane Whitmore Schazenbach and Douglas Almond, demonstrated that children's access to food stamps can have a material, positive impact on their health and economic prospects as adults. According to their analysis:

“[A]ccess to food stamps in childhood leads to a significant reduction in the incidence of “metabolic syndrome” (obesity, high blood pressure, and diabetes) and, for women, an increase in economic self-sufficiency. Overall, our results suggest substantial internal and external benefits of the safety net that have not previously been quantified.”

Funding SNAP and other nutrition programs also makes sense for stabilizing America's national economy and speeding a bona fide recovery from the Great Recession. Earlier this year, researchers Alisdair McKay and Ricardo Reis of the National Bureau of Economic Research issued a working paper in April of 2013, ***The Role of Automatic Stabilizers in the U.S. Business Cycle***, demonstrating that food stamps are effective at stabilizing the economy during a downturn. According to McKay and Reis, “expanding safety-net programs, like food stamps, has the largest potential to enhance the effectiveness of [economy] stabilizers.”

As Congressional conference committee negotiations over the 2014 Farm Bill ramp up, it is imperative for all interested constituencies to be heard.