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SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

HEARINGS

BEFORE THE

SUBCOMMITTEE ON NUTRITION

AND THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

JANUARY 12, 2016; MARCH 2, 2016; MAY 12; JUNE 22; JULY 6, 2016;
SEPTEMBER 13, 2016; AND NOVEMBER 16, 2016

Serial No. 114–3

Part 4 (Final)

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SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(PAST, PRESENT, AND FUTURE OF SNAP: ADDRESSING SPECIAL POPULATIONS)

TUESDAY, JANUARY 12, 2016

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NUTRITION,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:00 a.m., in Room 1300 of the Longworth House Office Building, Hon. Jackie Walorski [Chairwoman of the Subcommittee] presiding.

Members present: Representatives Walorski, Thompson, Gibbs, Crawford, Hartzler, Benishek, Davis, Yoho, Abraham, Conaway (*ex officio*), McGovern, Adams, Lujan Grisham, Plaskett, Ashford, DelBene, and Kirkpatrick.

Staff present: Caleb Crosswhite, Jadi Chapman, Mary Nowak, Mollie Wilken, Scott C. Graves, Stephanie Addison, Faisal Siddiqui, John Konya, Lisa Shelton, Mary Knigge, Nicole Scott, and Carly Reedholm.

OPENING STATEMENT OF HON. JACKIE WALORSKI, A REPRESENTATIVE IN CONGRESS FROM INDIANA

The CHAIRWOMAN. Welcome to today's Nutrition Subcommittee hearing. I want to thank everyone for taking the time to be here, and I want to thank, in particular, our witnesses for your participation. I also want to bring to your attention today's orange juice, compliments of Representative Ted Yoho of Florida.

The Supplemental Nutrition Assistance Program, or SNAP, is by far the nation's largest Federal food assistance program. Last year, we began a review of the past, present, and future of SNAP, holding ten hearings at the full Committee and Subcommittee level. The review started from a broad perspective, but has narrowed in focus, examining such topics as the role of the charitable sector in fighting hunger, and the use of evidence-based solutions to measure outcomes.

One of the last hearings of 2015, we examined the effect of hunger on children, how they can break the cycle of poverty. In our first hearing of 2016, we are picking up where we left off by looking at challenges facing special populations. Seniors, veterans, and active-duty military families each have unique needs. Speaking broadly, they are more vulnerable than many other populations to

illnesses and physical and mental impairments that affect their ability to be fully independent.

A simple trip to the grocery store may not be so simple if you have to maneuver a motorized wheelchair. Their ability to prepare food may be hampered by arthritis or an inability to stand for long periods of time. Climbing the economic ladder through work is not necessarily an available avenue to them. And yet under SNAP, they are treated under a one-size-fits-all model.

Consider the makeup of the veteran population alone. As a Member of the Veterans Affairs Committee, I am well aware of the range of ages and abilities under this one umbrella. You have seniors who fought in World War II and Korea, baby boomers who served in Vietnam, and those who more recently returned home from Afghanistan and Iraq, and everyone in between. Some are in perfect health. Others face one or multiple diseases, or physical, or mental conditions, such as Alzheimer's, arthritis, PTSD, or traumatic brain injury. And as more women answer the call to serve our country, that means women will make up a greater proportion of the veteran population. Given the diversity in the makeup of this population, one size cannot possibly fit all.

As for active duty military, the USDA has estimated there are between 2,000 and 20,000 military families signed up for SNAP. However, a quirk in the eligibility calculation adds a needless complication to a family's decision whether or not to live on the base. The housing provided to a family living on a base does not count toward SNAP eligibility, which lowers their income and increases the benefit. On the other hand, the allowance that a family receives to live off a base does count toward eligibility, which raises their income and decreases the benefit. There are plenty of pros and cons that a military family must weigh as they decide whether or not to live on the base, but that shouldn't be needlessly clouded by whether or not they get a higher benefit from SNAP.

Finally, the ranks of seniors are set to swell as the baby boomer generation enters retirement and health advancements help people live longer. Seniors have the lowest rate of SNAP participation of any demographic the program serves, but they also have the lowest rate of food insecurity. A low rate of food insecurity, however, doesn't give license to overlook the many factors that contribute to hunger among seniors, including a fixed income, illness, healthcare costs, specialized diets, and access to transportation.

Before I close, I want to reiterate a theme that has been consistent throughout this entire review process. SNAP does not operate in a vacuum. SNAP alone will not end hunger, food insecurity, or poverty. SNAP is a piece of the larger puzzle. Everyone; the Federal Government, state governments, not-for-profits, the private-sector, researchers, and recipients themselves, have a role to play in lifting Americans out of poverty and up the economic ladder.

Today we will hear from witnesses who can attest to challenges faced by each group, and potential ways to lower barriers. I thank each of our witnesses for being here and lending your expertise, and I look forward to hearing from you.

[The prepared statement of Mrs. Walorski follows:]

PREPARED STATEMENT OF HON. JACKIE WALORSKI, A REPRESENTATIVE IN CONGRESS FROM INDIANA

Good morning, happy New Year, and welcome to today's Nutrition Subcommittee hearing. I want to thank everyone for taking the time to be here and I want to thank, in particular, our witnesses for their participation.

The Supplemental Nutrition Assistance Program, or SNAP, is by far the nation's largest Federal food assistance program. Last year, we began a review of the past, present, and future of SNAP, holding ten hearings at the full Committee and Subcommittee level.

The review started from a broad perspective, but has narrowed in focus, examining such topics as the role of the charitable sector in fighting hunger and the use of evidence-based solutions to measure outcomes.

One of the last hearings of 2015 examined the effect of hunger on children and how they can break the cycle of poverty. In our first hearing of 2016, we are picking up where we left off by looking at challenges facing special populations.

Seniors, veterans, and active-duty military families each have unique needs. Speaking broadly, they are more vulnerable than other populations to illnesses and physical and mental impairments that affect their ability to be fully independent.

A simple trip to the grocery store may not be so simple if they have to maneuver a motorized wheelchair. Their ability to prepare food may be hampered by arthritis or an inability to stand for long periods of time. Climbing the economic ladder through work is not necessarily an avenue available to them.

And yet, under SNAP, they're treated under a one-size-fits-all model.

Consider the makeup of the veteran population alone. As a Member of the Veterans Affairs Committee, I'm well aware of the range of ages and abilities under this one umbrella. You have seniors who fought in World War II and Korea, baby boomers who served in Vietnam, those who more recently returned from Afghanistan and Iraq, and everyone in between. Some are in perfect health. Others face one or multiple diseases, or physical, or mental conditions, such as Alzheimer's, arthritis, PTSD, or traumatic brain injury. And as more women answer the call to serve our country, which means women will make up a greater proportion of the veteran population. Given the diversity in the makeup of this population, one size cannot possibly fit all.

As for active duty military, the USDA has estimated that there are between 2,000 and 20,000 military families signed up for SNAP. However, a quirk in the eligibility calculation adds a needless complication to a family's decision whether or not to live on the base. The housing provided to a family living on a base does not count toward SNAP eligibility, which lowers their income and increases the benefit. On the other hand, the allowance that a family receives to live off a base does count toward eligibility, which raises their income and decreases the benefit. There are plenty of pros and cons that a military family must weigh as they decide whether or not to live on the base, but that shouldn't be needlessly clouded by whether or not they get a higher SNAP benefit.

Finally, the ranks of seniors are set to swell as the baby boomer generation enters retirement and health advancements help people live longer. Seniors have the lowest rate of SNAP participation of any demographic the program serves, but they also have the lowest rate of food insecurity. A low rate of food insecurity, however, doesn't give license to overlook the many factors that can contribute to hunger among seniors, including a fixed income, illness, health care costs, specialized diets, and access to transportation.

Before I close, I want to reiterate a theme that has been consistent throughout this review: SNAP does not operate in a vacuum. SNAP alone will not end hunger, food insecurity, or poverty. SNAP is a piece of the larger puzzle. Everyone—the Federal Government, state governments, nonprofits and the private-sector, researchers, and recipients themselves—has a role to play in lifting Americans out of poverty and up the economic ladder.

Today we'll hear from witnesses who can attest to challenges faced by each group and potential ways to lower barriers. I thank each of you again for being here and lending your expertise and I look forward to hearing from you.

The CHAIRWOMAN. I would now like to recognize Ranking Member McGovern for his opening statement.

OPENING STATEMENT OF HON. JAMES P. MCGOVERN, A REPRESENTATIVE IN CONGRESS FROM MASSACHUSETTS

Mr. MCGOVERN. Well, thank you very much. And welcome to the witnesses here today.

This is the tenth hearing on SNAP, and some have wondered to what end. Well, Speaker Ryan and Republican presidential candidates gave us the answer last Saturday at their so-called forum on poverty in South Carolina, and I have to say that I am deeply troubled.

We have known for a long time that Speaker Ryan supports block-granting SNAP. We have seen it year after year in his budgets. But if that is where all of this is going, that is bad news for poor people, and it is bad news for the vulnerable populations that our witnesses here today represent.

Proposals like Speaker Ryan's to block-grant SNAP would decimate one of the key features of the program; that it can quickly respond to an economic downturn, that when the breadwinner in a household loses his or her job, a family can quickly access SNAP to keep food on the table until they get back on their feet.

After this last recession, there is good data emerging showing that SNAP worked as it was supposed to, and expanded to help more families who needed it. And now that our economy is recovering, SNAP caseloads are declining and will continue to decline as the economy continues to get better. Simply put, SNAP is working.

The Temporary Assistance for Needy Families, or TANF, on the other hand, which was converted into a block-grant in the 1990s, barely responded at all to the recession. In fact, we have seen and are seeing states shift TANF funds away from core antipoverty purposes, and instead using these funds to plug holes in other areas of their state budgets, leaving vulnerable families out of luck.

The reality is that block-granting SNAP would be catastrophic for the program. Funding would be capped and states would either have to reduce the benefit, which we all know from the many hearings that we have held is already inadequate, or they would have to cut people off. Either way, it would make hunger worse. And we know what happened with TANF, that states wouldn't have to use their SNAP block-grant funding to actually feed people. States could use that money for just about whatever they choose.

So we shouldn't change the entitlement structure of SNAP. Block-granting SNAP is a bad idea, period. It would make hunger worse in this country, and I urge my colleagues to think twice about going down the dangerous road of block-grants.

Now, in terms of today's hearing, I see that the title is; *Past, Present, and Future of SNAP: Addressing Special Populations.* Today's witnesses are among the most distinguished experts on senior and veteran hunger, but I think that we are only scratching the surface on special populations receiving SNAP. We should also be talking about the disabled, Native Americans, ex-offenders, and ABAWDs, able-bodied adults without dependents. These are all groups that have unique and often complicated circumstances, and we should be focused on making sure that they have access to adequate food benefits. I hope these populations will not be forgotten. But bottom line, if all of his is about block-granting SNAP, or as Jeb Bush said, "eliminating the food stamp program," then I would

just respectfully express to my Republican colleagues and the leadership here to be prepared for a fight. If we have any function in this Congress, it ought to be to making sure that the least among us are not forgotten or not invisible, and that we ought to be there to offer a helping hand.

And again, I thank the witnesses, and look forward to hearing your testimony.

The CHAIRWOMAN. Thank you, Mr. McGovern. I see the Chairman of the full Committee has joined us. The chair would now like to recognize Chairman Conaway for his statement.

OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

Mr. CONAWAY. Well, thanks, Chairwoman. I appreciate your holding this hearing.

SNAP is a broad program. It is complicated. There are many facets to it. You can't brag on it or criticize it in a 30 second soundbite with any real granularity. And so unbundling the program to see its various parts and pieces, has great value, and that is kind of what we have been doing. And so bringing you here today to help us understand the impact that SNAP has on the populations that you are the most involved with is important for the Committee to help us understand. And this Committee has made no proposals in changing SNAP, in spite of the Ranking Member's comments to the contrary. And so we are trying to learn, trying to understand it, because I would be hard pressed to say any program in government is perfect and works perfectly for everyone. If it can't be improved, that is a pretty tall comment to make, and I don't think you can make that claim about anything. So helping us understand the direct impact that these programs have on alleviating issues that your populations face day in and day out, in addition to hunger, is appropriate and a good use of our time.

So, Madam Chair, I appreciate you holding the hearing, and I yield back my time.

The CHAIRWOMAN. Thank you, Mr. Chairman.

The chair would request that other Members submit their opening statements for the record so the witnesses may begin their testimony, and to ensure there is ample time for questions. The chair would like to notify Members that they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. I appreciate the Members' understanding.

Witnesses are reminded to limit their oral statements to 5 minutes. All of the written statements will be included in the record.

I would like to welcome our witnesses to the table. Abby Leibman, President and CEO, MAZON, Los Angeles, California; Erika Tebbens, former military spouse; Vinsen Faris, Executive Director, Meals-on-Wheels of Johnson and Ellis Counties, Cleburne, Texas; Eric Schneidewind, President-elect, AARP, Lansing, Michigan.

Ms. Leibman, please begin with your testimony when you are ready.

STATEMENT OF ABBY J. LEIBMAN, J.D., PRESIDENT AND CHIEF EXECUTIVE OFFICER, MAZON: A JEWISH RESPONSE TO HUNGER, LOS ANGELES, CA

Ms. LEIBMAN. Distinguished Members of the Subcommittee on Nutrition of the Committee on Agriculture, thank you for the opportunity to testify before you today.

I am Abby Leibman, President and CEO of MAZON: A Jewish Response to Hunger, a national nonprofit organization working to end hunger among people of all faiths and backgrounds in the United States and Israel.

In response to learning that a startling number of our partners were providing food assistance to a growing number of military families and veterans, MAZON's Board of Directors made these issues a core priority for our education and advocacy. After an exhaustive search for accurate data from government and private sources, we learned the following: First, we found that literally hundreds of thousands of veterans are experiencing food insecurity, without receiving assistance from SNAP and other available benefit programs. Food insecurity among veterans, old and young, is nearly double the prevalence of food insecurity and very-low food security for the general U.S. population. Second, we also uncovered serious indications of food insecurity among currently-serving members of the military.

The causes: low pay among lower-ranking enlistees, high unemployment among troop spouses, larger household sizes, challenges around activation and deployment, and unexpected financial emergencies.

How do we know this? In addition to reports from our colleagues operating food pantries, MAZON learned from a source at the Pentagon that there are food pantries operating on or near every single Naval and Marine base in the United States.

There can be no denying that food insecurity among military families is real and a painful reality. The experiences that Erika Tebbens will share with you today provide insight into just what those realities look like.

There are three important actions that we urge Congress to take now to begin to address this growing problem. Demand more data. Despite strong anecdotal evidence, food insecurity among military families is not adequately documented or monitored by government agencies. What data we have been able to secure are often contradictory, out-of-date, or simply incomprehensible. No one really knows the military and veteran population numbers for government nutrition programs, let alone the estimates for the true level of need in these populations. Accurate data is essential if our nation is to better understand the scope of food insecurity among military families, and allow us to find the gaps and provide meaningful solutions. But make no mistake, if even one military family goes without adequate nutritious food, this nation is not meeting its responsibility to those who serve our country. But, of course, data alone is not the answer. You must remove policy barriers. Federal policies are actually denying struggling military families the resources they need to prevent food insecurity.

Including the basic allowance for housing as income when determining SNAP eligibility is not only inconsistent with its treatment

by other Federal programs, it has made thousands of struggling families ineligible for vital SNAP benefits. In order to survive, they must turn to food pantries on and off military bases.

The BAH is not included as income for the purposes of calculating income taxes and eligibility for WIC and Head Start. The BAH should be consistently excluded as income for the purposes of determining eligibility for all nutrition assistance programs. We urge agency collaboration. For veterans, this is not only essential; it is becoming a matter of life and death. A growing number of veterans, particularly disabled veterans, are caught in the middle of bureaucratic delays and Federal agency silos, unaware of, or unable to, access nutrition assistance benefits, despite their obvious need. For veterans awaiting a disability determination, delays and multiple appeals are commonplace and last for almost a year in some communities. During this time, these men and women are unable to access nutrition assistance benefits and literally have nothing to eat.

What can we do? We can start by ensuring that the government agencies charged with their care actually communicate with each other. VA social workers can use a simple two-question food insecurity screening tool, and refer those who screen positive to resources that support access to adequate healthy food, including SNAP. But perhaps the best way to prevent hunger among veterans is to protect and strengthen the SNAP Program. Right now, an estimated 60,000 veterans face the loss of SNAP benefits because of the expiration of the time limit waiver for ABAWDs. Cuts to SNAP hurt millions of Americans, including military families and veterans. This reality of limited data, unfair policy barriers, and bureaucratic silos comes at a time when the need among military families and veterans has never been greater. It is up to you to make the changes that will make this reality less impactful on their food insecurity. If not now, when? If not you, then who?

Thank you.

[The prepared statement of Ms. Leibman follows:]

PREPARED STATEMENT OF ABBY J. LEIBMAN, J.D., PRESIDENT AND CHIEF EXECUTIVE OFFICER, MAZON: A JEWISH RESPONSE TO HUNGER, LOS ANGELES, CA

Distinguished Members of the Subcommittee on Nutrition and Committee on Agriculture, thank you for the opportunity to testify before you today.

I am Abby Leibman, President and CEO at MAZON: A Jewish Response to Hunger, a national nonprofit organization working to end hunger among people of all faiths and backgrounds in the U.S. and Israel. Founded in 1985, MAZON partners with literally hundreds of food banks, pantries, and direct service agencies that provide for people who are hungry and advocate for other ways to end hunger and its causes. MAZON's Board of Directors has made hunger among military families a core priority for our education and advocacy efforts. MAZON has a strong interest in the development of sensible and compassionate food and nutrition policies for military and veterans families. It is on this topic that I would like to speak with you today.

MAZON believes that those who make great personal sacrifices in service to our country should not have to struggle to provide regular, nutritious meals to their families.

We first became concerned about this issue more than 4 years ago when our colleagues from the emergency food network shared concerns about the up-tick in the number of military families and veterans turning to them for food assistance.

Across the country, service members were (and still are) showing up at food pantries, sometimes in uniform, looking for help in feeding their families. While many emergency food providers have responded by developing specific and innovative pro-

grams to assist food-insecure military families, most of these organizations are strapped by increasing demands for services in general and have limited capacity to address this population.

MAZON was alarmed by these reports about struggling military families and veterans and determined to investigate the issue. We conducted an exhaustive search for accurate data from the Department of Defense, USDA, the Department of Veterans Affairs, Congress, and direct service providers. We found that hunger is experienced too often among veterans, especially those veterans having difficulty transitioning back to civilian life and the workforce, waiting extended periods of time for disability determinations, or struggling to make ends meet when their disability pay is low.

For currently serving members of the military, food insecurity is triggered by a number of different circumstances, including low pay among lower ranking enlistees, high unemployment among military spouses, larger household sizes, challenges around activation and deployment, and unexpected financial emergencies. There is clear evidence of widespread reliance on food pantries and distribution programs on and near military bases; in fact, MAZON learned from a source at the Pentagon that there are food pantries operating on or near *every single* Naval and Marine base in the United States! There can be no denying that food insecurity among military families is a real and painful reality and that government safety net programs are not adequately meeting the needs of those who serve our country.

There are three important actions that we urge Congress to take now to begin to address this growing problem:

Demand more data—Despite strong anecdotal evidence, food insecurity among military families is not adequately documented or monitored by government agencies, and indeed the problem has long been obscured and ignored. Data are often withheld from the public or are excessively difficult to obtain. What data we have been able to secure are often contradictory, out of date or simply incomprehensible.

For example, USDA's most recent data indicates that approximately 2,000 active duty service members participate in the SNAP program. However, we believe the scope of the need is significantly larger than that number reflects. This figure only counts families that self-report as active duty military and is derived using a methodology that experts have deemed skewed to underreport the number of military families for multiple reasons. Indeed, according to the U.S. Census Bureau's American Community Survey, 19,455 active duty service members were estimated to receive SNAP in 2014. Similar data for WIC is not even available. So no one really knows the military and veteran participation numbers for these programs, let alone estimates for the true level of need in these populations.

Blue Star Family's Military Family Lifestyle Survey offers a glimpse of the economic hardship and food insecurity challenges for active duty families, as well as some of the barriers that make it more difficult for them to get needed assistance. The 2015 survey reported more than 7% of responding active duty military and spouses faced food insecurity within the past year. Nearly 6% of respondents sought emergency food assistance through a food bank, pantry, or charitable organization, while only 2.4% participated in SNAP.

A more complete understanding of the scope and characteristics of the growing problem of food insecurity among military families and veterans will enable DOD, USDA, the VA and Congress to better identify gaps in Federal food program usage and provide a meaningful response to the unique challenges confronting these vulnerable households.

MAZON has sought out additional data to help in this effort by working with colleagues in the House Armed Services Committee to request a [Government] Accountability Office report to explore these issues. Having the House Agriculture Committee weigh in on the need for better government data and accountability, including guidance for the GAO report, will give greater urgency to the call for an effective response to this issue.

However, I must underscore here that in our view, if even one military family goes without adequate and nutritious food, this nation is not meeting its responsibility to those who serve our country! Upon Senate passage of the FY16 NDAA bill, the Chairman of the House Armed Services Committee stated, "It is critical for our troops to know that we can put politics aside to support them, their families, and their mission to protect our country." Sadly, when the problem of food insecurity among military families continues to go unscrutinized and unaddressed, such self-congratulatory rhetoric rings hollow.

But data alone is clearly not the answer.

Remove policy barriers now—Federal policies are denying currently serving military families who are struggling the resources they need to help keep them from experiencing food insecurity.

Many lower ranking service members—especially those with multiple dependents who live off base or in privatized housing—are systematically made ineligible for SNAP because their housing allowance is counted as income. For these families, the best option available to them is to frequent food pantries on and off military bases.

The Basic Allowance for Housing is excluded as income for the purposes of calculating income taxes and eligibility for some Federal programs, including WIC and Head Start. By the same token, we believe that the BAH should be consistently excluded as income for the purposes of determining eligibility for all nutrition assistance programs. The intent of the BAH is to provide housing for uniformed service members with minimal military overhead costs by relying on the civilian housing market. Yet treating the BAH benefit as income for determining eligibility for SNAP puts some military families at an unfair disadvantage and disqualifies them from receiving vital food assistance.

MAZON strongly urges an immediate fix to this problem in a way that does not come at the expense of access for others or any funding for nutrition assistance programs. This is a simple and common sense policy change that should be immediately undertaken because it is the right thing to do and would rectify a past slight to military families. Though Members of Congress and Pentagon leaders recently expressed worry that current funding levels leave our armed forces at "the lower ragged edge of readiness," similar concern has been notably absent for the struggling military families who honorably serve our country despite living on their own personal "ragged edge."

MAZON has been working for several years with anti-hunger advocates, military service organizations, food banks and pantries, and champions on Capitol Hill to eliminate this unnecessary and harmful policy barrier. Legislation was introduced in 2015 in both the House and Senate that proposed excluding the BAH as income for the determination of nutrition assistance benefits. Sadly, these proposals were swiftly blocked and the problem of food insecurity for currently serving families remains.

Surely we owe it to our military families to remove unfair barriers to access for needed benefits. Making this policy correction supports the national goal of mission readiness for our armed forces and also promotes fiscal responsibility as these families—particularly the children—experience improved health outcomes from higher levels of food security and better nutrition, which in turn yield reductions in long-term health care costs. The recent report about SNAP by the White House Council of Economic Advisers vividly demonstrates the important role of SNAP in reducing both poverty and food insecurity and documents the significant long-term impacts of SNAP for children in the areas of health, education, and economic self-sufficiency.

Urge agency collaboration—A growing number of veterans—and particularly disabled veterans—are getting caught in the middle of bureaucratic delays and Federal agency silos, unaware of or unable to access nutrition assistance benefits despite their obvious need.

Unacceptable portions of the veteran community, who used to get "three squares a day" as soldiers, now do not know where their next meal will come from. It is estimated that over 300,000 elderly veterans are food-insecure and confront the same barriers faced by all seniors trying to access benefits—stigma, misinformation about potential eligibility, and a daunting application process. More recent vets face serious challenges as well. According to a 2012 University of Minnesota study of soldiers returning from the wars in Iraq and Afghanistan, one in four veterans report being food-insecure (27%), and 12% of those vets were classified as having very-low food security. These rates are nearly double the prevalence of food insecurity and very-low food security for the general U.S. population. In addition, we know that many veterans return from combat with disabilities that make it more difficult to maintain gainful employment and provide food for themselves and their families. Households with a disabled veteran are nearly twice as likely to be food-insecure as households that do not have someone with a disability. Ensuring that all veterans have access to adequate and nutritious food is critical, and providing such access to disabled veterans is the least this nation owes to its returning and injured soldiers.

Unfortunately, this is a promise that is not always kept. Veterans who are awaiting a disability determination face enormous challenges in making claims through the VA's daunting claims process, where delays and multiple appeals are commonplace. During this waiting period, many veterans are unable, or limited in their ability, to access nutrition assistance benefits.

For veterans applying for assistance or seeking medical care through VA facilities, USDA and the VA must do more to help these veterans navigate the application process and connect them to benefits and resources available to help them meet their basic needs. USDA could help the VA serve as a conduit for outreach and edu-

cation about SNAP and proactively link vets to nutrition assistance through eligibility screenings and application assistance. Better coordination between USDA and the VA would go a long way in connecting disabled, aging, and struggling veterans with available nutrition assistance, contributing to better long-term health outcomes, lowering health care costs, and reducing unnecessarily high rates of poverty and homelessness in this population.

A simple but highly effective intervention would involve VA social workers and health care professionals adopting as standard practice the utilization of a two-question food insecurity screening tool and then referring those who screen positive to resources that support access to adequate, healthy food, including SNAP. The recent adoption of a similar policy by the American Academy of Pediatrics provides an exciting precedent for an effective intervention that promises smart and cost-effective ways to help ensure that veterans don't come home to hunger.

Perhaps the best way to prevent hunger among veterans is to protect and strengthen the SNAP program. It has been repeatedly demonstrated that SNAP effectively reduces food insecurity and poverty rates, contributes to savings in long-term health care costs, and positively impacts long-term health, education, and economic self-sufficiency outcomes. And yet, recent attempts to cut SNAP—including a proposal during the last farm bill process that put 170,000 veterans' benefits at risk—only exacerbate the problem of veteran hunger. And right now, an estimated 60,000 veterans face the loss of SNAP benefits because of the expiration of the time limit waiver for ABAWDs. Cuts to SNAP, in addition to causing harmful impacts on American families struggling to get by and get back on their feet, also hurt military families and veterans who receive critical assistance from the program.

Conclusion

The unfortunate reality of what I have outlined today—of limited data, unfair policy barriers, and bureaucratic silos—comes at a time when the need among military families and veterans has never been greater.

There has been a sad and ineffective response to military hunger issues in the past. When media stories about military families on SNAP circulated in the late 1990s, Congress was concerned about the *optics* of members of our military receiving food stamps. In order to get these families off of SNAP, Congress in 2000 created a parallel program—the Family Subsistence Supplemental Allowance (FSSA)—administered by the Department of Defense with an explicitly stated goal of removing military families from the SNAP rolls. This little-known and poorly administered DOD program did not work either to get military families off of SNAP, or more importantly, to adequately address the challenges of food insecurity that are faced by some military families. It was such a failure, in fact, that Congress recently voted in the 2016 NDAA bill to sunset the failed FSSA program domestically at the end of 2016. However, without any additional action taken, Congress has effectively abandoned the thousands of struggling military families who fall through the cracks of SNAP eligibility and turn instead to the emergency food system out of desperation. These families deserve more than failed policies and government indifference.

Therefore MAZON: A Jewish Response to Hunger strongly urges Congress to take action now to effectively address the problems of military and veteran food insecurity that I have shared with you and that have been tragically ignored for far too long. The bipartisan-appointed National Commission on Hunger, in its final report released just last week, made recommendations to address military food insecurity consistent with what I have outlined for you today. I hope that my testimony and the personal reflections shared by Erika Tebbens provide the necessary justification for expeditious Congressional action.

The principle of leaving no one behind is deeply embedded in the ethos of the U.S. military. If Congress continues to ignore the problem of hunger among service members and veterans, we are surely leaving them behind and in the enemy hands of hunger and poverty.

MAZON welcomes the opportunity to work with you to create lasting and meaningful change to meet the needs of our military and veteran families. Thank you.

The CHAIRWOMAN. Thank you, Ms. Leibman.

Ms. Tebbens, please proceed with your testimony.

STATEMENT OF ERIKA TEBBENS, BALLSTON SPA, NY

Ms. TEBBENS. I would like to begin by thanking all of you for taking the time to hear my testimony, and for MAZON for working on this important issue and giving me this opportunity. Being able to speak on behalf of active duty military families who may be too

afraid to speak out on this matter is a great honor, and I hope my story can help them.

In 2003, my ex-husband, Colin, was assigned to his first Naval duty station as a culinary specialist at the Bremerton Naval Hospital in Washington. I was leaving my job as a high school teacher and a Master's Degree program, just two courses short of graduating. The job prospects in our new town were bleak, and I was constantly told that I was over qualified in interviews. I finally managed to secure employment in two positions; as a bank teller making $9 an hour, and as a baker at a diner making $10 an hour. I was working 35 to 40 hours a week, but still only making ½ of my previous salary.

Then in March 2004, I found out I was pregnant. A coworker mentioned the WIC Program to me. I had never heard of it, and I thought it absurd a military family would qualify for any type of assistance, especially because we weren't the lowest rank of enlisted personnel. Colin was an E4, which is quite good for someone with less than 2 years of service. When they told us our family qualified, they also told us that many military families are eligible but don't realize it. How could this be? I was quite embarrassed, but had to accept both the help and the disapproving glares when handing over my vouchers at the grocery store.

All this time, I was continuing to apply for a job with better pay but continued to be deemed over qualified, and it didn't help that I was also very visibly pregnant.

Our son, Jack, was born in November 2004. He had to be delivered via caesarian section, meaning I was not allowed to go back to work for 6 weeks. When I was medically cleared for work, I could only take shifts on Saturdays, when Colin could watch Jack. We had no family locally and could not afford childcare. This is when things got incredibly difficult. We went to the Navy Marine Corps Relief Society for advice, and their only recommendation was that we apply for a low interest credit card called Military Star. Taking on more debt did not seem like a reasonable solution.

With a lot of shame and reluctance, I applied for SNAP benefits. When we were denied, I was devastated and confused. I felt like we were doing everything right but we were still stuck. I also didn't understand why we would qualify for one government food program but not another. My husband and I shared one used car, and had no cable or other amenities. We kept a vegetarian diet because we couldn't afford to buy meat. I exclusively breast-fed Jack until he was 6 months old too, which saved us the expense of formula. I was also forced to defer my student loan payments, but that only prolonged the debt.

The stress that this financial burden caused was profound and constant, and was amplified by the stress of caring for a newborn. The problem was our basic allowance for housing, or BAH. In the SNAP application, BAH was being included as income, despite the fact that the WIC application specifically excludes it, and both programs fall under the USDA. When we moved there was no military housing available to us, so we were forced to rent an apartment. We intentionally chose an apartment where our BAH would cover both the rent and the utilities. BAH is calculated by the local cost of living, and varies greatly across duty stations. Since we lived in

a high cost of living area, this inflated our gross income substantially. This is why we were denied essential SNAP benefits, and why many military families are also denied. On paper, it appears these families are economically stable, when in reality they might not earn enough to support their children.

I feel it is an oversight as part of the application process because I could not imagine that legislators would ever consciously want members of the military and their families to be food-insecure.

Thankfully, I found a great full-time job when Jack was 18 months old, and we were able to leave the WIC Program. We haven't needed it since. We are lucky, but that doesn't change the fear, stress, and panic we felt during the first 18 months of my son's life.

Being in a military family is challenging. We have to make so many sacrifices. Missed time with loved ones, not having a constant place to call home, job security for dependents, and so much more. One thing military families should never have to worry about is having enough food.

I sincerely hope you will consider revisions to SNAP for military families because they deserve to be taken care of by the country they serve.

Thank you for your time.

[The prepared statement of Ms. Tebbens follows:]

PREPARED STATEMENT OF ERIKA TEBBENS, BALLSTON SPA, NY

January 7, 2015

Subcommittee on Nutrition,
Committee on Agriculture,
U.S. House of Representatives,
Washington, D.C.

To the Honorable Members of the Nutrition Subcommittee:

When my son Jack was born, I was married to a Culinary Specialist at the Bremerton Naval Hospital in Washington. He was an E4, after enlisting as an E3, and we were proud of his solid ranking. I have a bachelor's degree, and before we moved I had nearly completed a Master's Degree in Secondary Education.

I left a $30,000/year position as a teacher when we were assigned to the Kitsap Peninsula. The job prospects in our new town were bleak, and I was constantly told I was "overqualified" in interviews. I finally managed to secure only part-time employment in two positions—as a bank teller and as a baker at a diner. I was working 35–40 hours a week but making ½ my previous salary.

When we found out I was pregnant we were barely making ends meet. Thankfully we were good cooks with plenty of knowledge about healthy eating. Even while sticking to affordable staples like beans and rice or vegetable soups, our grocery bill was awfully high. I struggled with having to choose between healthy, nutritious food and processed, cheap food.

A coworker happened to mention the WIC program to me. I had never heard of it before. I was certain as a military family we wouldn't qualify, but I made an appointment at our local WIC office anyway. The office was in a private building in our town, not on the base. That meeting was quite enlightening. I learned that it's quite common for civilian OBGYNs to give information about the program to pregnant women. But I never heard it mentioned once in all my visits to the military hospital.

The pre-screening process for the WIC program was fast and simple, and the women working there were knowledgeable and supportive. To my surprise, we qualified, and I learned that this is true as well for many military families.

I used the WIC benefits while pregnant and continued to search for a better paying job, but just kept hearing that I was "overqualified." I also suspect no one was interested in hiring a woman who was very visibly pregnant.

Our son Jack was born in November 2004. He had to be delivered via caesarean section, meaning I was not allowed to work for 6 weeks. Once I was medically cleared to return to work, I could only work shifts on Saturdays, when my husband wasn't working. There was simply no way we could afford childcare, and, like so many military families, we had no local support system.

Our financial challenges with an infant mounted, and I ran out of solutions. I reluctantly applied for SNAP benefits and was denied. I felt confused, scared, and ultimately dumbfounded. How could we qualify for one government food assistance program, but not another? Why didn't we qualify for SNAP when we were struggling to put food on the table for our family?

Although both the WIC and SNAP programs fall under the USDA, the WIC application specifically excludes additional military allowances, such as the housing allowance, as part of your monthly income. The SNAP program, in contrast, *does* require counting our Basic Allowance for Housing (BAH) as income when applying.

Most people don't realize military families often acquire housing in a different way than their civilian counterparts. On the whole, our military subsidizes housing expenses for active-duty military families, whether you live on-base or off. If you reside in off-base or privatized military housing, the subsidy is determined by the cost of living in your area. But including the BAH as part of determining eligibility for government programs, which only happens if you live off base or in privatized housing, artificially inflates a family's gross income. So that's what happened to us.

We were rejected because our housing allowance was included as part of our income, which made it seem like we were making more money than we were. I've since learned that this is a common reason why military families are denied access to SNAP benefits.

We were left wondering how we were going to survive even while my husband went to work serving his country.

After being denied for SNAP, I didn't know what else to do. There weren't any other options for our family. When we moved, there was a wait list for on-base military housing so we chose an apartment that was under our housing allowance in an attempt to make ends meet. We also shared one used car, and lived without cable or other amenities in an attempt to get by.

We were making payments on my graduate school loans, which also weren't considered in benefit eligibility. As a responsible adult, I pay my bills. I wasn't going to just stop paying. For some time I had them deferred, but that was only a temporary solution.

I breast-fed Jack exclusively until he was 6 months old, but the costs of having a child piled up. Diapers, wipes, and other necessities were a constant strain on our budget. We shopped the commissary, because it was cheaper, but our food bills were still more than we could afford. I remember putting groceries on the credit cards more times than I could count. There are few things more disheartening than worrying about where your next meal is going to come from.

My life—and my son's life—are much better now. All debts from that time have been paid, and we are food-secure and living comfortably. I was able to leave the WIC program after I went back to work full-time when Jack was about 18 months old. We can now afford to give generously to various charities and donate to our local food pantries. For 4 years, I managed a local farm that accepted WIC and SNAP benefits. I lived the experience of stretching each dime, so when people shopped with my farm, I would go to great lengths to help them make the most of the meager benefits.

Being in a military family is challenging in ways most people can never imagine. You make so many sacrifices: missed time with loved ones; not having a constant place to call "home;" job security for dependents; and so much more. I don't ever want another military family to worry about food the way we did.

If we had been of a lower rank, I honestly don't know how we would have survived. No military family should have to experience the fear and shame of being food-insecure, but we should also be giving them the resources and information to get help.

I hope that these reflections from my personal experiences, and the other stories that follow collected by MAZON: A Jewish Response to Hunger,* help you to better

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* **Editor's note:** the referenced "collection of stories" was not included with the submitted testimony.

understand the particular challenges of food insecurity faced by too many of our military families.

Sincerely,

ERIKA TEBBENS.

The CHAIRWOMAN. Thank you, Ms. Tebbens.

Mr. Faris, please proceed.

STATEMENT OF VINSEN FARIS, EXECUTIVE DIRECTOR, MEALS-ON-WHEELS OF JOHNSON AND ELLIS COUNTIES IN NORTH CENTRAL TEXAS, CLEBURNE, TX

Mr. FARIS. Madam Chair, distinguished Members of the Subcommittee, thank you for the opportunity to be here with you today.

In addition to leading Meals-on-Wheels of Johnson and Ellis Counties, I also have the honor of serving as the immediate past Board Chair of Meals-on-Wheels America. All told, there are more than 5,000 Meals-on-Wheels senior nutrition programs throughout our country, all unified in a mission to support our communities' most vulnerable seniors to live safely, healthfully, and independently in their own homes. Today we are challenged like never before in addressing the growing needs of a rapidly aging population that is increasingly struggling with hunger, and paying for basic living needs like rent, utilities, and prescriptions.

Take Emily, for example, whose story is similar to the thousands of seniors in your states and districts who are significantly at risk of hunger and isolation. Emily is 92, a retired nurse who worked for 40+ years, and receives about $850 a month in Social Security benefits. She suffers from severe osteoporosis and is physically unable to leave her home to go to a grocery store or stand to cook and prepare her own meals. Emily relies on a Meals-on-Wheels volunteer to bring her a nourishing hot meal every day. This friendly visit and personal connection is the only human contact Emily may regularly have.

Like most Meals-on-Wheels clients, the nutritious meals Emily receives help her to maintain her independence, to live in her own home, and to avoid unnecessary trips to the hospital. Meals-on-Wheels offers her a lifeline that is a much-preferred, economical, and commonsense alternative to other long-term care options.

As you know, the consequences of hunger and food insecurity are both socially and economically profound. For seniors, even a slight reduction in nutritional intake can exacerbate existing health conditions, accelerate physical impairment, impede recovery from illness, injury, or surgery, and increase the risk of chronic disease. Today, one in six seniors struggles with hunger, and those experiencing very-low food security has increased 63 percent between the start of the recession in 2007 and 2013. Findings from a recent study showed that seniors on Meals-on-Wheals' waiting list are among our nation's most at-risk and vulnerable populations. Specifically, these seniors are more likely to report poorer health, higher rates of anxiety and depression, and fall more frequently. Eighty-seven percent of these at-risk seniors required assistance with grocery shopping.

It is imperative that proven and effective programs designed to meet the nutritional and social needs of special populations such as seniors like Emily be further strengthened. Any legislative and policy changes should enhance nutritional access and assure individual safety, security, health, and well-being. We can either invest a modest amount in proper nutrition for our seniors now, or spend significantly more on the adverse consequences that will increase healthcare costs later.

Accordingly, we urge consideration of the following: First, protect and support SNAP. On average, seniors on SNAP receive only $129 a month. However, it can mean the difference between having to choose between meals or prescriptions. SNAP must be supported and recognized as a critical pillar to reducing senior hunger.

Second, reauthorize and support the Older Americans Act. The Act has been the primary piece of Federal legislation supporting social and nutrition services for older Americans since 1965. Despite the Act's longstanding bipartisan, bicameral support, it has been unauthorized since 2011, and remains woefully under-funded.

Third, modify Medicare and Medicaid to meet the nutritional needs of our most vulnerable. It is notable that a senior can receive Meals-on-Wheels for an entire year for about the same cost of 1 day in the hospital, or 1 week in a nursing home. Accordingly, we recommend that Medicare and Medicaid plans include coverage for home-delivered meals prepared and delivered by private, non-profits, with physician recommendations.

The time to act is now, especially given the magnitude of the senior hunger problem, coupled with our rapidly aging population. The good news is that the infrastructure already exists to meet these challenges through successful programs administered by USDA and HHS. Working together to ensure that no senior in need struggles with hunger and isolation is an investment in our nation's fiscal future, and it is also a preventative prescription for significantly reducing Medicare and Medicaid expenses. This is an issue that is not only within our reach to solve, but it is also the right thing to do for all of the Emilys in our communities.

Thank you.

[The prepared statement of Mr. Faris follows:]

PREPARED STATEMENT OF VINSEN FARIS, EXECUTIVE DIRECTOR, MEALS-ON-WHEELS OF JOHNSON AND ELLIS COUNTIES IN NORTH CENTRAL TEXAS, CLEBURNE, TX

Chairman Conaway, Chairwoman Walorski, Ranking Member Peterson, Ranking Member McGovern and distinguished Members of the Subcommittee—good morning. Thank you for the opportunity to testify before you today at this important hearing. I am Vinsen Faris, Executive Director of Meals-on-Wheels of Johnson and Ellis Counties, located immediately south of Dallas—Fort Worth in Cleburne, Texas.

As well as having the privileged responsibility of delivering more than 1,200 nutritious meals to needy homebound seniors in our 1,700+ mile^2 area each day, I also have the honor of serving as the Immediate Past Chair of the Board of Meals-on-Wheels America. Meals-on-Wheels America is the oldest and largest national organization comprised of and representing community-based senior nutrition programs that are dedicated to addressing senior hunger and isolation in every state. By providing leadership, research, education and training, grants, and advocacy support, Meals-on-Wheels America helps to empower community programs, just like Meals-on-Wheels of Johnson and Ellis Counties, to improve the health and quality of life of the seniors they serve.

All told, there are more than 5,000 Meals-on-Wheels programs—both congregate and home-delivered—in communities across the country that are delivering vital so-

cial and nutrition services to seniors 60 years of age or older. These programs are big and small, rural, suburban and urban, and serve nutritious meals in both the home, where one's mobility is limited, and/or in congregate settings, such as senior centers; delivering a total of roughly one million meals daily.[1] While each program is certainly unique in regard to its daily operations, we are unified in our mission to support our communities' most vulnerable seniors to live safely, healthfully and independently in their own homes for as long as they wish. We also share the same challenges in addressing the growing needs of a rapidly aging population that is increasingly struggling with hunger and paying for basic living needs, like rent, utilities and prescriptions.

Take Emily, for example, one of the over 2,800 clients we serve in Johnson and Ellis Counties, whose story is similar to the thousands of seniors in your states and districts who are significantly at risk of hunger and isolation and rely on Meals-on-Wheels to be able to live at home. Emily is 92, a retired nurse who worked for 40 years in Johnson County, raised her family there, and brings in about $850.00 a month in Social Security benefits. She suffers from severe osteoporosis and is physically unable to leave her home to go to a grocery store to purchase food or to cook or prepare her own meals. Instead, she relies on a Meals-on-Wheels volunteer to bring her a nourishing hot meal every day—her primary source of food. This friendly visit and personal connection is the only human contact Emily will have each day.

Like most Meals-on-Wheels clients, the nutritious meals Emily receives help her to maintain her independence, to live in her own home, which she prefers, and to avoid unnecessary trips to the hospital or premature placement in a nursing home, often paid for through Medicare and/or Medicaid. According to the *2013 National Survey of Older Americans Act Participants,* 92% of Meals-on-Wheels recipients reported that the meals enabled them to continue living at home, and 83% said that eating the meals improved their health.[2] For Emily, Meals-on-Wheels offers a lifeline that is a much preferred, economical and common sense alternative to other long-term care options.

At no other time in our history, however, has the issue of senior hunger been at a more critical level. Regardless of what statistic you see, it is undeniable that the problem is grave, growing and expensive. Today, 9.6 million seniors[3]—or one in six—may not know from where their next meal will come. All the more concerning to this Subcommittee is the fact that the number of seniors 60+ experiencing "very-low food security"—or "hunger," as the National Commission on Hunger just expressed in their report released last week—has increased 63% between the start of the recession in 2007 to 2013.[4]

As you know, the consequences of hunger and food insecurity are both socially and economically profound. For seniors, however, even a slight reduction in nutritional intake can exacerbate existing health conditions, accelerate physical impairment, impede recovery from illness, injury and surgery, and increase the risk of chronic disease(s). *The Causes, Consequences, and Future of Senior Hunger in America* (*http://www.mowaa.org/document.doc?id=13*)—the first ever assessment of the state of senior hunger in America released in 2008—found that a senior facing the threat of hunger has the same chance of much more severe activities of daily living (ADL) limitations as someone 14 years older.[5] This means there is a large disparity between a senior's actual chronological age and his or her "physical" age, such that a 67 year old senior struggling with hunger is likely to have the ADL limitations of an 81 year old.

Furthermore, findings from a 2015 study entitled *More Than a Meal* (*http://www.mealsonwheelsamerica.org/theissue/facts-resources/more-than-a-meal*)—commissioned by Meals-on-Wheels America, underwritten by AARP Foundation and conducted by Brown University—showed that seniors on Meals-on-Wheels waiting lists are among our nation's most at-risk populations when compared to a national representative sample of aging Americans. Specifically, the seniors included in the study were significantly more likely to:

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[1] Administration for Community Living. *Data Source: AGID State Profiles.* Retrieved from *www.agid.acl.gov*.

[2] Administration for Community Living. *Data Source: AGID National Survey of OAA Participants.* Retrieved from *www.agid.acl.gov*.

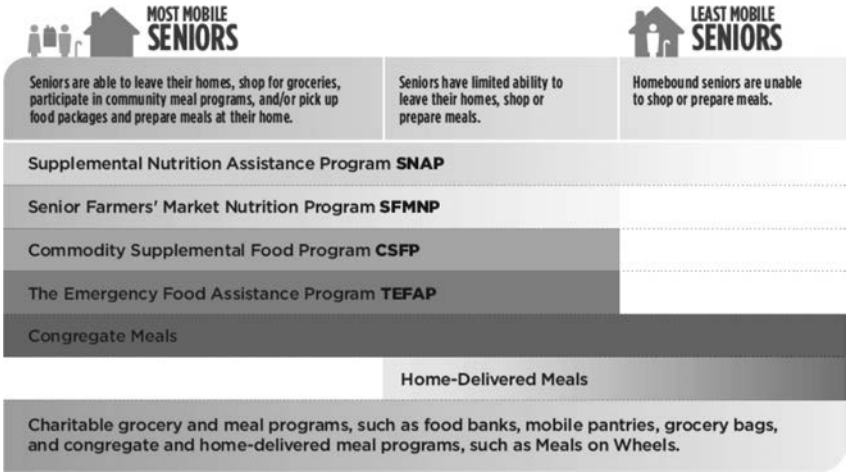
[3] Ziliak, J., & Gunderson, C. (2015, April). *The State of Senior Hunger in America 2013: An Annual Report.* Retrieved from *www.nfesh.org/wp-content/uploads/2015/04/State-of-Senior-Hunger-in-America-2013.pdf*.

[4] Ziliak, J., & Gunderson, C. (2015, April). *Supplement—The State of Senior Hunger in America 2013: An Annual Report.* Retrieved from *www.nfesh.org/wp-content/uploads/2015/04/NFESH_2015_Report-_Supplement_032515.pdf*.

[5] Ziliak, J., & Gunderson, C. (2008, March). *The Causes, Consequences, and Future of Senior Hunger in America.* Retrieved from *www.mowaa.org/document.doc?id=13*.

- Report poorer self-rated health (71% *vs.* 26%).
- Screen positive for depression (28% *vs.* 14%) and anxiety (31% *vs.* 16%).
- Report recent falls (27% *vs.* 10%) and fear of falling that limited their ability to stay active (79% *vs.* 42%).
- Require assistance with shopping for groceries (87% *vs.* 23%) and preparing food (69% *vs.* 20%).
- Have health and/or safety hazards both inside and outside the home (*i.e.,* higher rates of tripping hazards, (24% *vs.* 10%), and home construction hazards, (13% *vs.* 7%).[6]

In light of the immense vulnerability and array of health and mobility challenges our nation's seniors face, coupled with the high-cost, high-risk factors they pose to our healthcare system, it is imperative that proven and effective programs designed to meet their nutritional and social needs are further strengthened. And at the same time, it is important to recognize that there is not a one-size-fits-all solution to the problem of senior hunger. The fact is that there is a wide continuum of need and a variety of federally supported nutrition programs targeted to meet vulnerable populations along that spectrum and promote health and well-being. For those seniors who are most mobile and may struggle with hunger primarily as a result of limited income and access to affordable foods, the Supplemental Nutrition Assistance Program (SNAP) may serve as the best intervention. In contrast, for those seniors who are hungry as a result of mobility and health challenges and are physically unable to cook or prepare meals, Meals-on-Wheels may serve as the best intervention. In other cases, it may be a combination of Federal and local programs working together to address hunger in the community. Illustrated below is a chart that Meals-on-Wheels America and Feeding America created jointly to showcase the senior hunger continuum and the programs that exist to help support them.[7]



As Congress considers modifications to the Federal nutrition safety net to support the vulnerable populations we are discussing today, it is imperative that their unique nutritional and social needs be at the forefront of the process. Any legislative and policy changes should not only enhance nutritional access, but should also assure individual safety, security and health and well-being today and into the future. We can either invest a modest amount in proper nutrition for our seniors now, or spend significantly more on the adverse consequences that will develop in healthcare costs later.

We must continue to build on the progress being made to ensure that seniors eligible for SNAP are able to access and utilize the support available to maintain their health and quality of life. We must also ensure that proposals, such as the SNAP grocery-delivery pilot, are carefully tested and implemented and that the Com-

[6] Thomas, K., & Dosa, D. (2015, March). *More Than a Meal.* Retrieved from: *www.mealsonwheelsamerica.org/MTAM.*

[7] Feeding America & Meals-on-Wheels America. (2015, March). *Senior Hunger: A National Crisis and a Collaborative Response.* Retrieved from: *http://www.mealsonwheelsamerica.org/docs/default-source/membership/resources-tools/advocacy/fa_mowa_seniorhunger.pdf?sfvrsn=2.*

modity Supplemental Food Program (CSFP), which provides monthly food packages from USDA commodities, is funded to not only maintain the current caseloads but to enable nationwide expansion. Currently, CSFP only operates in 46 states, the District of Columbia and two Indian reservations.

While notable progress is being made to "close the senior SNAP gap"—the gap between those eligible for the program and those who participate—gaps continue to widen between the number of seniors struggling with hunger and those receiving nutritious meals through the Older Americans Act (OAA) as the funding for these successful and effective programs have neither kept pace with inflation nor demand. The consequences are acute, such as adding even more seniors onto waiting lists, reducing Meals-on-Wheels services and days of operation, and in some cases, forcing them to close their doors altogether. A Government Accountability Office report released last summer found that about 83% of food-insecure seniors and 83% of physically impaired seniors did not receive meals [through the OAA], but likely need them.[8] Currently, the Meals-on-Wheels network overall is serving 21 million fewer meals annually to seniors than we were a decade ago in 2005[9] due to declining Federal and state grants; stagnant private funding; and rising food and transportation costs. This slippery slope is concerning and, at a minimum, we must stave off this continuous decline not only for the health of our seniors, but for the health of our nation as a whole.

This Subcommittee, Committee and Congress are best positioned to further support and strengthen proven and effective programs serving our most vulnerable seniors and to adopt legislation favoring the bipartisan recommendations outlined in the National Commission on Hunger's just-released report, *Freedom From Hunger: An Achievable Goal for the United States of America* (*https://hungercommission.rti.org/*). The Meals-on-Wheels network commends the Commission for acknowledging the evidence that our programs improve the health and quality of life for America's most vulnerable older citizens; and for offering two recommendations to improve nutrition assistance options for people who are disabled or medically at risk. Accordingly, we urge Members of the Committee to consider the following policy priorities, and to commit to cross-Committee collaboration, when such recommendations may be outside of this Committee's jurisdiction:

1. Protect and Support Nutritional Access for Seniors via the Supplemental Nutrition Assistance Program (SNAP)

SNAP is our nation's largest Federal nutrition program, targeting households at or below 130% of the Federal poverty line, or an annual income of $15,180 for a senior living alone.[10] However, only about 40% of eligible seniors are enrolled in SNAP[11] due to a variety of factors including stigma, misconceptions about the application process, and mobility or access issues, among others. On average, seniors on SNAP access only $129 a month,[12] however, it can mean the difference between having to choose between meals or prescriptions. We urge Congress to work with the U.S. Department of Agriculture to:

- Ensure SNAP benefits are adequate.
- Support SNAP outreach and promote and disseminate state-level best practices for improving senior SNAP participation, such as simplified applications and screening in senior centers.
- Recognize the statute allowing states' eligibility for surplus or "bonus" commodities through the OAA-authorized Nutrition Services Incentive Program.
- Maximize voluntary contributions for home-delivered meals via SNAP, as has been allowed under the law since 1971, by supporting mobile point of sale devices for senior nutrition programs; similar to pilot tests that have occurred in farmers' markets.
- Analyze food security rates for all "elderly," not just "elderly living alone" or "households with elderly," in the annual Food Security Report.

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[8] U.S. Government Accountability Office. *Older Americans Act: Updated Information on Unmet Need for Services.* Retrieved from *www.gao.gov/assets/680/670738.pdf.*

[9] Administration for Community Living. *Data Source: AGID State Profiles, and the National Survey of OAA Participants.* Retrieved from *www.agid.acl.gov.*

[10] United States Department of Agriculture. *FY 2015 Income Eligibility Standards.* Retrieved from *www.fns.usda.gov/sites/default/files/FY15_Income_Standards.pdf.*

[11] United States Department of Agriculture. *Trends in Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2010 to Fiscal Year 2013.* Retrieved from *www.fns.usda.gov/sites/default/files/ops/Trends2010-2013.pdf.*

[12] United States Department of Agriculture. *Characteristics of Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2014.* Retrieved from *http://www.fns.usda.gov/sites/default/files/ops/Characteristics2014.pdf.*

- Define elderly as "60 and older" for the annual Food Security Report, not 65 and older, which is consistent with other USDA nutrition program definitions for "elderly".

2. Fund, Reauthorize and Protect the Older Americans Act (OAA)

The OAA has been the primary piece of Federal legislation supporting social and nutrition services to Americans age 60 and older since 1965. In 2013, the last year for which data exists, the OAA enabled more than 219 million meals to be provided to 2.4 million seniors.[13] Despite the OAA's longstanding bipartisan, bicameral support, it has been unauthorized since 2011 and remains woefully under-funded. As such, we urge Congress to:

- Pass S. 192, the Older Americans Reauthorization Act of 2015. The Senate unanimously adopted, S. 192, the Older Americans Act Reauthorization Act of 2015 in July of last year.
- Provide increased funding for OAA Nutrition Programs (Congregate, Home-Delivered and Nutrition Services Incentive Program) in FY 2017. We thank Congress for including a $20+ million increase in the recently passed Consolidated Appropriations Act.
- End sequestration for FY 2018 and beyond and replace it with a balanced plan. OAA programs were hit hard by the unnecessary and harsh cuts in 2013 and are still recovering.

3. Modify Medicare and Medicaid to Meet the Nutritional Needs of Our Most Vulnerable Seniors

As described above, the health consequences of inadequate nutrition are particularly severe for seniors. Proper nutrition, on the other hand, averts unnecessary visits to the emergency room, reduces falls, admissions and readmissions to hospitals, saving billions in Medicare and Medicaid expenses. It is notable that a senior can receive Meals-on-Wheels for an entire year for about the same cost of ***one day*** in the hospital or ***one week*** in a nursing home.[14] Accordingly, we recommend the following:

- Expand Medicare managed care plans to include coverage for home-delivered meals prepared and delivered by a private nonprofit for seniors with physician recommendation.
- Expand Medicaid managed care plans to include coverage, with a physician recommendation, for home-delivered meals prepared and delivered by a private nonprofit for individuals who are too young for Medicare, but who are at serious medical risk or have a disability.
- Allow doctors to write billable Medicare and Medicaid "prescriptions" for nutritious and medically-appropriate meals prepared and delivered by a private nonprofit for individuals prior to being discharged from a hospital. Seniors receiving short-term nutrition interventions post-hospital discharge, ranging from a daily hot meal to a combination of different meal types (*i.e.,* lunch, dinner, snack, hot or frozen meals), has resulted in readmission rates of 6–7% as compared to national 30 day readmission rates of 15–34%.[15]

The time to act is now, especially given the magnitude of the senior hunger problem coupled with continued demographic shifts resulting in a rapidly aging population. The good news is that the infrastructure already exists to meet vulnerable, food-insecure seniors across a continuum of need, through successful programs currently administered through USDA and the Department of Health and Human Services ***if properly resourced.*** These programs support the most mobile seniors, who are able to shop for and/or prepare their own meals, to those who with a little assistance can socialize, exercise and eat nutritious meals together in congregate or group settings, to the least mobile, who are homebound and depend on that daily nutritious meal, friendly visit and safety check—that more than a meal service—from their local Meals-on-Wheels program to enable them to remain independent in their own homes. Working together to ensure that ***no senior*** in need struggles with hunger and isolation is not only an investment in our nation's fiscal future, but it

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[13] Administration for Community Living. *Data Source: AGID State Profiles, and the National Survey of OAA Participants.* Retrieved from *www.agid.acl.gov*.

[14] Meals-on-Wheels America. *United States Fact Sheet* (2015, March). Retrieved from *www.mealsonwheelsamerica.org/docs/default-source/fact-sheets/senior-fact-sheet-national.pdf?sfvrsn=2*.

[15] Meals-on-Wheels America. (2016, January). *Comments on Proposed Discharge Planning Rule for Hospitals, Critical Access Hospitals, and Home Health Agencies* (80 FED. REG. 68126).

is also a preventative prescription for significantly reducing Medicare and Medicaid expenses.

Again, I want to sincerely thank the entire Subcommittee for your commitment to finding solutions to end hunger in America and the opportunity to testify before you. This is an issue that is not only within our reach to solve, but is also a moral, social and economic imperative. I hope my testimony has been both compelling and insightful, and I look forward to answering any questions you might have.

The CHAIRWOMAN. Thank you, Mr. Faris.

And Mr. Schneidewind, please proceed with your testimony.

STATEMENT OF ERIC J. SCHNEIDEWIND, J.D., PRESIDENT-ELECT, AARP, WASHINGTON, D.C.

Mr. SCHNEIDEWIND. Chairman Conaway, Subcommittee Chairman Walorski, Ranking Member McGovern, and Members of the Subcommittee, thank you for holding today's hearing on SNAP, and for inviting AARP to speak about the program's positive impact on older Americans.

My name is Eric Schneidewind, and I am the AARP President-elect.

SNAP is a critical part of the nutrition safety net available to low-income families and people in need, including the elderly and people with disabilities. It is exceptionally effective and efficient at reducing food insecurity. Program performance is better than it ever has been, with over 99 percent of participating households meeting all the program's eligibility requirements in Fiscal Year 2014.

Along with helping low-income persons eat healthier, more nutritious food, SNAP also helps stimulate the economy up to $9 for every $5 in SNAP benefits spent; an economic effect that was part of the program's design.

While SNAP is at the cornerstone of all public food assistance, other programs under the Subcommittee's jurisdiction also address senior hunger in tandem with the vast private charitable network that assists seniors every day. Programs such as the Commodities Supplemental Food Program, the Emergency Food Assistance Program, the Senior Farmers' Market Nutrition Program, as well as home-delivered and congregate meals authorized under Title III of the Older Americans Act, serve millions of seniors. But there is no replacement for SNAP when it comes to fighting hunger in all population groups, and older Americans are no exception.

I would like to take a moment to recognize Lisa Marsh Ryerson, President of AARP Foundation, a charitable affiliate of AARP, and to thank her for being here today.

According to Foundation research, the younger segment of older Americans is often at deeper risk for food insecurity than their older counterparts. Even if they have specialized needs or limitations, they might not qualify for other nutrition assistance programs geared toward older Americans. However, low-income seniors face problems that their younger counterparts do not; namely, reduced ability to re-enter the workforce, fixed incomes and retirement, and significantly higher medical costs.

Seniors struggling with food security were over twice as likely to report being in poor health. Health care for someone over 65 costs three to five times what it costs for younger people. And researchers have recently discovered that severely food-insecure individuals

required an average of $4,000 in care, compared to $2,806 for moderately food-insecure individuals, and only $1,608 for food-secure individuals. As the senior population grows, food security issues will continue to pressure the public and private healthcare system.

For many seniors, food security can mean better management of a range of chronic diseases. Given the costs of chronic disease management to the healthcare system, and particularly programs such as Medicare and Medicaid, we believe that there is a strong incentive for policymakers to look at hunger as a health issue. It can be key to bending the cost curve, especially for seniors.

SNAP benefits help recipients afford other necessities such as housing and utility expenses. There may also be a positive effect on other health-related problems associated with food insecurity, such as postponing needed medical care, delaying or not taking prescribed medications, and increased emergency room use. By providing SNAP benefits to individuals in need, we can help people live at home and age in place, helping to delay or prevent more costly institutional care and unnecessary hospitalizations. This saves taxpayer dollars because caring for people in their home costs about ⅓ of the amount that institutional care costs, and it is the option that is overwhelmingly preferred by the recipients.

Seniors participate in SNAP at a lower rate than any age group due to both societal and policy-related barriers. However, promising practices can remove barriers such as arduous application length, confusing medical expense deductions, asset tests, and in-person interviews for initial benefits and re-certification, which are difficult for homebound individuals.

In Chicago, the AARP Foundation launched a mailer encouraging SNAP registration in targeted areas to link recipients with fresh fruits, vegetables, and proteins. The Foundation is also connecting fresh food supplies into food deserts, providing both application assistance and an ability to more easily use those funds on nutritious foods delivered into the community.

The CHAIRWOMAN. Mr. Schneidewind, I am afraid you are out of time.

Mr. SCHNEIDEWIND. May I finish with my conclusions?

The CHAIRWOMAN. Quickly.

Mr. SCHNEIDEWIND. We recommend that Congress refrain from making any further benefit cuts, and avoid making any structural changes that would weaken SNAP's ability to respond to increased needs due to economic changes. We recommend that you resist expanded work requirements, particularly on workers 50+, who typically take longer to find new permanent employment after being unemployed. We ask you to continue to protect categorical eligibility as in the last farm bill, which is essential to improving access to SNAP for low-income Americans of all ages, and that you invest in community-based initiatives to assist older adults and other vulnerable populations in better managing chronic conditions. You should simplify the application process, lengthening re-certification periods, and provide additional incentives to states to expand eligibility——

[The prepared statement of Mr. Schneidewind follows:]

PREPARED STATEMENT OF ERIC J. SCHNEIDEWIND, J.D., PRESIDENT-ELECT, AARP, WASHINGTON, D.C.

Chairman Conway, Subcommittee Chairman Walorski, Ranking Member McGovern, and Members of the Subcommittee, thank you for holding today's hearing on the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), and for inviting AARP to speak about program's positive impact on older Americans. My name is Eric Schneidewind, and I am the AARP President-elect. AARP is a nonprofit, non-partisan organization, with a membership of nearly 38 million ages 50+, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families.

Overview of SNAP

SNAP is a critical part of the nutrition safety net available to low-income families and people in need, including the elderly and people with disabilities. It has been shown that participating in SNAP can lead to improvements in a household's food security status, especially for those with very-low food security.[1] The mechanism by which SNAP reduces food insecurity is simple—it increases a household's food budget and enables them to buy more food than they would otherwise be able to purchase. Further studies show that while SNAP households see improved dietary intakes, there is still much work to be done, particularly with those on low benefit levels.[2]

Why SNAP is Effective

SNAP is exceptionally effective and efficient at achieving its mission of reducing food insecurity. In Fiscal Year (FY) 2014, an average of 45.9 million individuals in 22.4 million households received SNAP benefits every month. The average SNAP household had an income of only 58 percent of the Federal poverty line in 2014, with 82 percent of SNAP benefits going to households with a child, elderly, or disabled person.[3] At the same time, program performance is better than it ever has been. In FY 2014, SNAP error rates stood at record lows with over 99 percent of participating households meeting all the program's eligibility requirements.[4]

Along with helping low-income persons eat healthier, more nutritious food, SNAP also helps stimulate the economy—up to $9 for every $5 in SNAP benefits spent.[5] This is not an unintentional effect. SNAP was designed to help more Americans during times of economic crisis and increased need, blunting the larger macroeconomic effects—including but not limited to reduced consumer spending on even essential items such as food—that are typically a result of higher unemployment and lower household incomes. The recent economic recession demonstrated the importance of SNAP in providing food assistance for families that would have otherwise gone without food.

Public-Private Partnership Fighting Senior Hunger

While SNAP is at the cornerstone of all public food assistance in the United States, we would be remiss if we do not mention other programs under the jurisdiction of this Subcommittee that also address the issue of senior hunger in tandem with the vast private charitable network that assists seniors every day. Programs such as the Commodity Supplemental Food Program (CSFP),[6] the Emergency Food Assistance Program (TEFAP), the Senior Farmers Market Nutrition Program (SFMNP),[7] as well as home-delivered and congregate meals authorized under Title III of the Older Americans Act,[8] serve millions of seniors.

According to Feeding America, approximately 28 percent of their food banks' clients—13 million Americans—are over the age of 50.[9] However, many of these Federal programs are appropriately targeted to seniors with significant limitations in their activities of daily living (ADLs), such as the ability to shop for and prepare their own meals, as well as seniors who are homebound. And while the significant

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[1] *http://www.fns.usda.gov/sites/default/files/Measuring2013.pdf.*
[2] *http://www.ajpmonline.org/article/S0749-3797(15)00226-3/pdf.*
[3] *http://www.fns.usda.gov/sites/default/files/ops/Characteristics2014.pdf.*
[4] *http://www.fns.usda.gov/snap/quality-control.*
[5] *http://www.ers.usda.gov/media/134117/err103_1_.pdf.*
[6] CSFP served approximately 573,000 individuals in FY 2014: *http://www.fns.usda.gov/sites/default/files/pfs-csfp.pdf.*
[7] SFMNP served 787,139 in FY 2014: *http://www.fns.usda.gov/sites/default/files/sfmnp/SFMNP%20Profile%20for%20Participating%20State%20Agencies%20-%20FY2014.pdf.*
[8] OAA home-delivered and congregate meals served 2,405,394 seniors in FY 2013 *http://www.agid.acl.gov/CustomTables/SPR/Results/.*
[9] *http://www.feedingamerica.org/hunger-in-america/our-research/senior-hunger-research/baby-boomers-executive-summary.pdf.*

charitable response is admirable, there is no replacement for SNAP when it comes to fighting hunger in all population groups—and older Americans are no exception.

Importance of SNAP to Seniors

Elderly households, which are defined as those with an individual over age 60, represented 19 percent of all SNAP recipients in FY 2014. Out of this cohort, 85 percent received either Supplemental Security Income (SSI) or Social Security, and 82 percent of elderly households receiving SNAP consisted of an elderly individual living alone. On average, elderly SNAP households received an average benefit of $129 per month.[10]

According to research by AARP Foundation—a charitable affiliate of AARP—over 17 percent of adults over the age of 40 are food-insecure. Among age cohorts over age 50, food insecurity was worse for the 50–59 age group, with over ten percent experiencing either low or very-low food security. Among the 60–69 age cohort, over nine percent experienced similar levels of food insecurity, and over six percent among the 70+ population. This emphasizes the fact that the younger segment of older Americans are often at deeper risk for food security than their older counterparts, primarily because they have yet to receive Social Security benefits and—even if they have specialized needs or limitations—might not qualify for other nutrition assistance programs geared toward older Americans.

However, low-income seniors face problems that younger low-income Americans do not, namely reduced ability to re-enter the workforce, fixed incomes in retirement, as well as significantly higher medical costs. AARP research shows that older job seekers are more likely to look for work longer, and when they do re-enter the workforce, often have no choice but to take part-time or low-paying jobs.[11]

In 2012, 88 percent of SNAP households with seniors reported medical expenses.[12] The typical amount was $550 for the year, equivalent to $46 a month. AARP Foundation research shows that two in five American adults over age 50 had to cut down or skip meals in the last year because of a lack of food, and one in five have difficulty buying nutritious food.[13]

According to the Centers for Disease Control and Prevention (CDC), the cost of health care of someone 65 and older is upwards of three to five times higher than the cost of care for someone in a younger cohort. And among the population over 65, nearly 95 percent of health care costs go toward treating and managing chronic illnesses.[14]

Positive Impact on Health and Quality of Life

For many seniors, food security can mean better management of a whole range of chronic diseases, and it can make the difference in being able to age-in-place with dignity or face no choice but to enter institutional care. Put in different terms, a marginally food-secure senior has a reduced nutritional intake equivalent to having $15,000 less in annual income when compared to food-secure seniors.[15]

Compared to food-secure seniors, those facing food insecurity are 53 percent more likely to die of a heart attack, 40 percent more likely to have congestive heart failure, 22 percent more likely to face limitations of ADLs, and are 60 percent more likely to suffer from depression.[16] Overall, seniors struggling with food security were over twice as likely to report being in poor health.[17] For example, as food insecurity worsens, health care utilization and total health care costs increases. Researchers recently discovered that severely food-insecure individuals required an average of $4,000 in care, compared to $2,806 for moderately food-insecure individuals and $1,608 for food-secure individuals.[18]

Given the costs of chronic disease management to the health care system, particularly programs such as Medicare and Medicaid, *there is a strong incentive for policymakers to look at hunger as a health issue.* If we ensure that SNAP is accessible and sufficient, it can be a key strategy to bending the health care cost curve, especially for seniors. One such example of how these causes are inexorably linked is

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[10] *http://www.fns.usda.gov/sites/default/files/ops/Characteristics2014.pdf*.
[11] *http://www.aarp.org/content/dam/aarp/ppi/2015-03/The-Long-Road-Back_INSIGHT.pdf*.
[12] *http://www.cbpp.org/sites/default/files/atoms/files/8-20-14fa.pdf*.
[13] *http://pdf.aarpfoundation.org/i/455086-aarp-foundation-findings-on-nutrition-knowledge-and-food-insecurity-among-older-adults*.
[14] *http://www.cdc.gov/features/agingandhealth/state_of_aging_and_health_in_america_2013.pdf*.
[15] *http://content.healthaffairs.org/content/34/11/1830.full.pdf+html*.
[16] *http://www.feedingamerica.org/hunger-in-america/our-research/senior-hunger-research/or-spotlight-on-senior-health-executive-summary.pdf*.
[17] *http://www.ncbi.nlm.nih.gov/pubmed/11340107*.
[18] *http://www.cmaj.ca/content/early/2015/08/10/cmaj.150234*.

a recent study that showed that risk for hospital admissions for hypoglycemia spiked 27 percent in the last week of the month—as compared to the first week of the month—when food and SNAP budgets of low-income populations have often been exhausted.[19]

Furthermore, SNAP benefits help recipients afford other basic necessities, such as housing and utility expenses, by freeing up household resources otherwise needed for food costs. There may also be a positive effect on other health related problems associated with food insecurity, such as postponing needed medical care, delaying or not taking prescribed medications, increased emergency room use, and more frequent hospitalizations among low-income adults.[20]

Another study showed that the costs of hunger to the entire health care system were an estimated $160 billion.[21] As the senior population continues to grow, along with the incidence of chronic disease, food security issues will only continue to put more pressure on the public and private health care system.

By providing SNAP benefits to those in need, we can help people live at home and age-in-place, helping to delay or prevent more costly institutional care and unnecessary hospitalizations, saving taxpayer dollars. Research demonstrates states that invest in home and community-based services, over time, slow their rate of Medicaid spending growth, compared to states that remain reliant on nursing homes. On average, the Medicaid program can provide services to help roughly three older adults and adults with physical disabilities live independently in their homes and communities for the cost of serving one person in a nursing home.[22]

Barriers to Senior Participation

While the public and private implications of food security might be most significant for seniors, they participate in SNAP at a lower rate than any age cohort. Where the overall participation rate for eligible households is 85 percent, only 41 percent of eligible elderly households participate in SNAP. While the participation rate is slightly higher for households with only one elderly individual, at 54 percent, these rates remain woefully low, despite recent increases.[23]

Many barriers to older adults' participation in SNAP are societal—some seniors are under the misconception that if they accept SNAP benefits they will exclude other people, many are embarrassed to accept public assistance, and others might not know they are eligible. However, promising practices can remove policy-related barriers such as arduous application length, in-person interviews for initial benefits and re-certification which are difficult for homebound individuals, confusing medical expense deductions, and asset tests.

USDA has taken steps to implement programs such as the Elderly Simplified Application Project—which shortens applications, waives interviews, and lengthens re-certification periods—as well as the Standard Medical Deduction Demonstration, which allows elderly and disabled adults with more than $35 in out-of-pocket medical expenses to deduct a standard amount from their gross income in order to qualify for benefits.

However, additional pilots, such as the Combined Application Projects—which screens individuals applying for Social Security and other benefits for eligibility in SNAP—create government efficiency while also improving outcomes for older Americans that might otherwise struggle with food security. And while asset tests have been phased out in most states, elderly individuals struggling with high medical expenses and limited incomes should not have to face such tests, especially when some states have asset tests as low as $3,250 for elderly and disabled adults.

SNAP Outreach and Education Efforts

SNAP outreach that can connect consumers directly to programs that serve the SNAP population can be effective. For example, in Chicago, AARP Foundation has launched a physical mailer encouraging SNAP registration in specifically targeted areas to link SNAP recipients with fresh fruits, vegetables, and proteins. The Foundation is also connecting fresh food supplies into food deserts—defined as urban neighborhoods and rural towns without ready access to fresh, healthy, and affordable food[24]—providing both SNAP application assistance and an ability to more eas-

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[19] *http://content.healthaffairs.org/content/33/1/116.full.pdf+html.*

[20] M. Kushel *et al.,* 2005. "Housing Instability and Food Insecurity as Barriers to Health Care Among Low-Income Americans," *Journal of General Internal Medicine* 21:71–77.

[21] *http://hungerreport.org/2016/wp-content/uploads/2015/11/HR2016-Full-Report-Web.pdf.*

[22] A. Houser, W. Fox-Grage, & K. Ujvari, *Across the States: Profiles of Long-Term Term Services and Supports 2012* 16 (AARP PPI, 2012), *http://www.aarp.org/content/dam/aarp/research/public_policy_institute/ltc/2012/across-the-states-2012-full-report-AARP-ppi-ltc.pdf.*

[23] *http://www.fns.usda.gov/sites/default/files/ops/Trends2010-2013.pdf.*

[24] *https://apps.ams.usda.gov/fooddeserts/fooddeserts.aspx.*

ily use those funds on nutritious foods delivered to their community. Based on this learning, the Foundation is exploring how to create a SNAP application on smartphones and easy pathways to utilize benefits at SNAP approved grocery stores or food delivery that can maximize the volume of nutritious food available on a SNAP budget. The goal of this work is to create easily replicable application pathways and immediately connect the recipient to healthy food options.

New Innovative Approaches

While addressing the issues of access to SNAP benefits is essential, it is also our belief that we must empower low-income older adults to be smarter, healthier consumers. To that end, it is important to implement and evaluate innovative programming that demonstrates addressing hunger as a health issue pays both private and public dividends.

One of the AARP Foundation programs is a SNAP fruit and vegetable incentive program called Fre$h Savings. This program incentivizes the purchase of fresh fruits and vegetables by SNAP shoppers in Mississippi and Tennessee, where according to USDA 22 percent (Mississippi) and over 16 percent (Tennessee) of households are food-insecure. Among those households with members age 50 and older, over 16 percent in Mississippi are food-insecure, as well as over ten percent in Tennessee.[25]

At the ten currently participating grocery stores, for every $10 spent by a SNAP consumer on fresh fruits and vegetables, a coupon will print at check-out for 50 percent off the next purchase of fresh fruits and vegetables, with a maximum coupon value of $10 (maximum of two coupons per SNAP household, per month). At 16 currently participating farmers' markets, when a SNAP customer spends up to $10 with their SNAP card, they will get the same amount in Fre$h Savings tokens to spend on fresh fruits and vegetables. In both stores and farmers' markets, educational materials are available to inform consumers about the Fre$h Savings program and its value for SNAP shoppers.

Since September of last year, the program has distributed over 11,000 coupons at stores and over $2,500 in tokens at farmers' markets. The coupons have been redeemed at a rate of 27 percent, almost twice the typical redemption rate for a normal coupon program at the participating stores. The program is already slated to expand into an additional 15 farmers' markets and 12 more stores in Mississippi and Tennessee, and is beginning to build a business case for retailers to implement such programs on their own.

Previous research on incentives at farmers' markets[26–27] and from a retail pilot by USDA[28] have demonstrated these programs are effective at a much smaller scale; however, Fre$h Savings is one of the first such SNAP incentive programs to be implemented with a major, national retail grocer, which is where approximately 33 percent of all SNAP benefits are spent and where 87 percent of all older Americans say they shop for food on a regular basis.[29–30] The potential to scale this program could have significant implications not only for the health and well-being of low-income Americans, but for retailers of any size.

2014 Farm Bill

The 2014 Farm Bill included the following major changes and outcomes:

- Limited cuts to SNAP—larger cuts would have led to a less effective program to continue fighting hunger and food insecurity;
- Maintained "expanded categorical eligibility," preserving benefits for over two million people in households, including low-income working families and seniors;[31]
- Modified the Low-Income Home Energy Assistance Program (LIHEAP), but ensured that no current SNAP recipient was removed from the program;

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[25] *http://www.aarp.org/content/dam/aarp/aarp_foundation/2015-PDFs/AF-Food-Insecurity-2015Update-Final-Report.pdf* via DataExplorer.

[26] *http://www.wholesomewave.org/wp-content/uploads/2014/07/2013_healthy_food_incentives_cluster_evaluation.pdf*.

[27] *http://www.fns.usda.gov/sites/default/files/FarmersMarkets-Shopping-Patterns-Summary.pdf*.

[28] *http://www.fns.usda.gov/sites/default/files/HIP-Final-Summary.pdf*.

[29] *http://www.fns.usda.gov/sites/default/files/snap/2014-SNAP-Retailer-Management-Annual-Report.pdf*.

[30] *http://pdf.aarpfoundation.org/i/455086-aarp-foundation-findings-on-nutrition-knowledge-and-food-insecurity-among-older-adults*.

[31] *https://www.fas.org/sgp/crs/misc/R42054.pdf*.

- Permitted nonprofits that purchase and deliver foods to the elderly and people with disabilities to accept SNAP as payment;
- Authorized Community Supported Agriculture Organizations (CSAs) to become authorized SNAP retailers, expanding potential grantee connections;
- Temporary Emergency Food Assistance Program (TEFAP) received an extra $200 million for commodities that will flow primarily through the food bank network;
- The Commodity Supplemental Food Program (CSFP) now exclusively serves seniors, as pregnant and postpartum women and children have shifted to WIC;
- Improved Access to Healthy Food: Food Insecurity Nutrition Incentive (FINI) grants were authorized with $100 million to states and community-based organizations to increase the purchase of fresh produce where nutrition education is part of the anti-hunger strategy;
- New data exchange standards to help ensure SNAP can share data with other key Federal and state programs more efficiently and effectively; and
- Strengthened program integrity provisions while adding tools to combat trafficking and other program abuses, and restored bonus payments to reward program accuracy.

Future Opportunities to Strengthen SNAP

As the debate over SNAP moves forward, AARP recommends that we:

- Refrain from making any further benefit cuts under SNAP that would jeopardize the program's ability to carry out its important mission and avoid making any structural changes that would weaken SNAP's ability to respond to increased needs due to changes in the economy; (Research suggests that policies which increase SNAP benefits have been shown to improve food security among low-income households.)[32]
- Resist expanded work requirements under SNAP above those already in place, particularly any new requirements on workers 50+ who typically take longer than younger workers to find new permanent employment after being unemployed;
- Continue to protect categorical eligibility—as was done in the last farm bill—it is essential to improving access to SNAP for low-income Americans of all ages;[33]
- Invest in community-based initiatives to assist older adults and other vulnerable populations in better managing chronic conditions through nutrition and physical activity;
- Simplify and improve the application process for SNAP: Preliminary evidence from USDA pilots show that simplifying applications, lengthening re-certification periods, and screening seniors applying for other public benefits are improvements to the administration of SNAP that create more efficient and effective government while also improving the quality of life of low-income older Americans. Some other programs, such as the Standard Medical Deduction Demonstration, help to give a more accurate estimate of medical costs' impact on a senior's income, thereby giving them more sufficient benefits;
- Allow grandparent and other non-parent caregivers to apply for benefits on behalf of the children in their care;
- Provide additional incentives to states to undertake reforms to expand SNAP eligibility for low-income households, such as eliminating asset tests for low-income older households and/or expanding income and resource deductions; and
- Closely monitor restrictions on outreach included in the 2014 Farm Bill to evaluate whether they are having a negative impact on SNAP for vulnerable populations that already face barriers to participation.

Again, thank you for holding this hearing and for understanding the important role of SNAP in addressing food insecurity among low-income seniors. I am happy to answer any questions.

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[32] M. Nord and M. Prell, *Food Security Improved Following the 2009 ARRA Increase in SNAP Benefits,* USDA Economic Research Report Number 116, 2011. *http://www.ers.usda.gov/media/127913/err116.pdf*.

[33] *https://www.fas.org/sgp/crs/misc/R42054.pdf*.

The CHAIRWOMAN. Mr. Schneidewind, I am going to have to cut you off there, in deference to all the other witnesses, but I appreciate your testimony.

Mr. SCHNEIDEWIND. Thank you.

The CHAIRWOMAN. Absolutely.

Ms. Leibman, I wanted to direct my question to you. In addition to sitting as Chairwoman of the Subcommittee, I also sit on the House Armed Services Committee and the Veterans Committee as well, so I know all too well how the VA system is broken in so many ways. But in situations where there are delays in VA benefits, which is often for thousands of people, can SNAP be useful because of how quickly it can absolutely be brought into the system, and then can you just kind of talk to the fact of how SNAP is used as a bridge in some of these situations?

Ms. LEIBMAN. Absolutely. The concept of having adequate food is an important part of the healing process for people, and helps them get back up on their feet. So obviously, the more quickly people can access those benefits, particularly people who are struggling with disabilities when they return from being mobilized, the better for them. And one of the consequences of the way in which the system is currently working at the VA is that not only are they having delays, sometimes they are not even asked about whether they can qualify, given opportunities to apply for the benefits themselves. And in thinking through the relationship between what the social workers, the medical professionals are being confronted with when someone comes in the door at the VA, they need to really address whether or not these people are struggling with food insecurity. They don't even ask. I think at the outset, if they are asked about that, there will be a move in the direction of getting them application assistance, which, again, becomes a secondary issue because sometimes the application process itself is very onerous, and as I said, it can result in terrible delays. So expediting that process for veterans who are seeking qualification as disabled would do tremendous good in helping them to recover.

The CHAIRWOMAN. I appreciate it.

And then just quickly, Mr. Faris, the Meals-on-Wheels Program in my district is phenomenal in the South Bend area that serves a regional area, and really is one of the models for a lot of the Midwest. I am just curious though, what are some of the impediments to seniors actually seeking out benefits; that generation of senior citizens. And it seems like it is so disproportionate, such a tiny amount of seniors actually reach out, yet they are so far down the list of food insecurity, what are some of the impediments that you have seen, because Meals-on-Wheels is a revolutionary program that works hand-in-hand with SNAP. So I guess twofold; what are some of the impediments from seniors reaching out, and then second, do you see SNAP as a program that has been an easy partner with, and perhaps, more organizations coming alongside?

Mr. FARIS. Yes, ma'am. One of the most difficult tasks that Meals-on-Wheels organizations have in trying to encourage, when we see needy individuals who could certainly benefit from the SNAP benefits, is getting them to truly understand it. And what we are dealing with here is egos. They are not looking for a hand-

out. They don't want to get too far out in front. They are proud people. That is first and foremost in it.

One of the other things, they think that the process is difficult. When they have all of the life challenges bearing down on them at this advanced stage in life, it is sometimes more than they can handle. They think it is an onerous process to go through. And probably third, I would say that they think the benefit is too small. Most of them think they are not going to get anything. There are probably some out there that would think that they would be taking benefits from other people as well.

It has been a difficult program to work for a lot of Meals-on-Wheels organizations. Speaking from our own, it is not as easy to get people signed up as it could be and should be. We would like to see a much more streamlined process.

The CHAIRWOMAN. Thank you. I appreciate it.

And, Ms. Leibman, one final question. I am back to VA, because I am thinking about casework that comes into our offices, all of our offices, Congressional offices around the country, and issues with delays, patient care, applications, phenomenal delays in disability assessments and those kinds of things. So when we are talking about, for example, if we made a move and we said we want to focus a lot more on these SNAP benefits toward veteran organizations, I cringe when I think about asking the VA to do one more thing because so many of the things that are happening are not done correctly. So if we were looking at a way to expedite that process or something like that, would this be something that we would work more on the USDA end and making sure those connections are timely and efficient, and that type of a thing, not just handing this over to the VA and having them reach back to the USDA? How does that sound? We are almost out of time, but maybe I can talk to you about it afterwards to at least plant the seed. How does that work?

Ms. LEIBMAN. The good news is that the VA and USDA have begun a dialogue in which they are talking exactly about these issues, that they are demonstrating extraordinary leadership and innovation and trying to find ways to work together to resolve some of these issues.

The CHAIRWOMAN. Good.

Ms. LEIBMAN. I think the movement forward has begun, and the support from Congress to see that happen is probably essential.

The CHAIRWOMAN. I appreciate it.

Mr. McGovern is yielding to Ms. Adams, 5 minutes.

Ms. ADAMS. Thank you very much. Thank you, Madam Chair. And Ranking Member McGovern, thank you. And to all of our guests, thank you very much.

Of the six counties that are represented by my district, the 12th in North Carolina, the Department of Health and Human Services estimates that 25,000 or more able-bodied adults without dependents will be impacted by the reinstatement of SNAP work requirements. This includes over 10,000 adults in Mecklenburg and 8,000 in Guilford, where I live. And an able-bodied adult can continue to receive SNAP benefits only if they enroll in an employment and training program, but most counties do not have the funds nec-

essary to meet the Federal matching requirement for the SNAP employment and training program.

Ms. Leibman, you mentioned in your testimony that ABAWD work requirements will impact 60,000 veterans nationwide. Where have you seen success in connecting ABAWDs to job training programs that allow them to continue receiving SNAP benefits?

Ms. LEIBMAN. I am, personally, not aware of any stellar, outstanding programs that have been focused on moving veterans through the employment training system, and when they are also in the category of ABAWDs, into gainful employment. That is not a focus or an emphasis of what MAZON does, so it is possible those programs exist but it is not something of which I am aware.

Ms. ADAMS. Thank you.

Mr. Schneidewind, my office is currently drafting legislation that will strengthen the SNAP Program, and make the standard medical deduction permanently authorized. This is going to allow seniors and the disabled to include their medical expenses when they apply for SNAP benefits, without having to itemize every out-of-pocket purchase they make just to receive more adequate SNAP benefits. Nationally, how much do you see the medical expense deduction being under-utilized by seniors and the disabled due to the lack of a standard medical deduction in all 50 states?

Mr. SCHNEIDEWIND. Well, I don't have estimates of that precise element, but I can tell you that seniors apply for SNAP at a rate almost ½ of the other populations, and we have found that very complicated requirements for application, frequent re-certification, requirement for many people to leave their home when they don't have mobility to make that application, all of these factors have deterred or discouraged seniors from applying for those benefits. So we believe some of the complexities and the requirements in eligibility need to be simplified and certainly reduced to increase participation of seniors.

Ms. ADAMS. Thank you very much. And I want to thank all of you for your testimony. And, Mr. McGovern, I thank you for yielding. And, Madam Chair, I am going to yield back my time.

The CHAIRWOMAN. Thank you.

I now yield to Chairman Conaway, 5 minutes.

Mr. CONAWAY. Thank you. Again, I thank the witnesses for being here.

Mr. Faris, you mentioned that most Meals-on-Wheels programs had waiting lists or backlog lists.

Mr. FARIS. Yes, sir.

Mr. CONAWAY. Can you walk us through why that is the case, and would all of those folks already be on the SNAP program, and then give us the mechanics of how SNAP interrelates with Meals-on-Wheels. In other words, do you get payments from SNAP? Help us understand the program as to why there are backlogs.

Mr. FARIS. In the Older Americans Act nutrition programs today there is a significantly smaller number of meals being served annually than what was being served 10 years ago. We are serving actually 21 million fewer meals this year than in 2005.

One of the big challenges that we have out there is that funding for the Older Americans Act has not kept pace with the growth of the population.

Mr. CONAWAY. And that is where the funding for Meals-on-Wheels comes from?

Mr. FARIS. That is where the large part of Meals-on-Wheels funding comes from.

Mr. CONAWAY. Okay. Do you get funds from the SNAP Program as well?

Mr. FARIS. In Texas, in our program, we have great difficulty utilizing SNAP. We should be able to, but we do not have the ability for the electronic funds benefit cards.

Mr. CONAWAY. Is that a restriction on your side or on the state side, or the Fed side?

Mr. FARIS. It is difficult working with the state.

Mr. CONAWAY. Okay.

Mr. FARIS. So what we do is encourage the clients out there, the participants, recipients, needy seniors, to be using their SNAP benefits for other necessities there at the grocery store.

Mr. CONAWAY. Right. And the backlog is caused by just the funding shortage?

Mr. FARIS. That is the biggest problem.

Mr. CONAWAY. Right.

Ms. Tebbens, thank you for your story, and I appreciate that. Ms. Leibman, thank you as well for the work you do.

Other than the basic housing allowance, which is hard to justify the differential between the treatment, that is clearly something we ought to address, are there other things that stand in the way of getting these veterans the help they need, or the active duty folks the help they need?

Ms. LEIBMAN. Yes, sir. Excuse me. The difference between qualifying for SNAP and becoming food-secure is something that the Committee and Congress should pay attention to because the support of SNAP is essential to allowing people to have some support for purchasing power with regard to groceries, but it doesn't mean that these individuals have become food-secure in their households. So some of this has to do with the complications that come from moving from state to state, when they are deployed from one place to another, so there is a lack of consistency in the ways in which people apply for benefits in states, that the rules can change, the qualifications for them can change. There are issues for them with regard to emergency financial situations that come up. So some of this is not uncommon to other parts of the population, but in a military context there is less support for addressing some of those needs, in part because of the stigma attached for seeking assistance, and then access to those programs and benefits that may or may not be close to base or where they are stationed.

Mr. CONAWAY. Okay.

Mr. Faris, you mentioned that 92 year old lady in your testimony. Thelma? What was her name?

Mr. FARIS. I beg your pardon?

Mr. CONAWAY. The lady you mentioned, her name?

Mr. FARIS. Yes, Emily.

Mr. CONAWAY. Emily, excuse me. Is there a part of your program that tries to engage families? In other words, if Emily has no family at all, we have to get families involved. Is there a way that you

guys look at that to try to augment support for these folks that get contact, other than just the Meals-on-Wheels?

Mr. FARIS. We try as hard as we can. What we are now seeing, in individuals like Emily, so many of them are outliving their families and their friends, and the families that they do have left are too many generations down and they have lost interest, and so it is very difficult. We do everything we can to try to get them involved.

Mr. CONAWAY. Yes. Are there legal barriers that we need to address that prevents you from actually doing a better job at that?

Mr. FARIS. I am not aware of any legal barriers. No, sir.

Mr. CONAWAY. Okay. Again, thank you for helping us understand these special populations, and we will continue to work to improve these programs.

This is among that group that very few folks among us would say we shouldn't be trying to help. Probably have a difference of opinion on the able-bodied adults with no dependents, but certainly the majority of the folks you represent are a population that all of us have a heart for, and we need to try and figure out how to do that better. Thank you for the work you do as advocates.

And with that, I yield back.

The CHAIRWOMAN. Thank you, Mr. Chairman.

I now yield to Congressman McGovern.

Mr. MCGOVERN. Thank you.

Well, first of all, let me thank you all for your testimony. And you all were incredibly eloquent, but I have to say that your testimony is sad. We live in the richest country in the history of the world, and we have a big chunk of our population that doesn't know whether they can put food on the table. We have people who are hungry, and we all should be ashamed of that. This reflects a failure of government to respond adequately. We all have nothing but praise for charities, but let's be honest, charities can't do this alone. And I have advocated for some time that the White House put together a White House conference on food, nutrition, and hunger to connect the dots.

Ms. Leibman, you talked about the conversation going on between the VA and the USDA. That is encouraging, but there needs to be conversations amongst multiple agencies and departments, not only at the Federal level, but Federal, state and local level, with the private-sector, with charities, with food banks, with organizations like AARP, and all the different groups out there that have anything to do with this.

And Mr. Schneidewind mentioned that hunger should be treated as a health issue, and I agree with him. But the problem around here is that the budget for SNAP doesn't come out of the budget for Medicare or Medicaid, and so, we are not very good at saving money over here if we have to spend a little bit over here.

I began by expressing my concern about what happened over the weekend in South Carolina. I just want to ask for the record, does anybody here think that it is a good idea to block-grant SNAP? Anybody?

Ms. LEIBMAN. No.

Mr. SCHNEIDEWIND. No.

Mr. MCGOVERN. Okay. All right. And based on the testimony not only from those of you here but from the other hearings we have had, the benefit that currently exists seems inadequate to be able to get people to a point where they are no longer food-insecure. In other words, most of these people who get on SNAP have to rely on other programs as well, or go to food banks or food pantries. So does anyone here think that the benefit is adequate?

Ms. LEIBMAN. No.

Mr. SCHNEIDEWIND. No.

Mr. MCGOVERN. All right. Okay. I appreciate your direct answers.

My colleague, Ms. Adams, raised this issue of ABAWDs again, and they tend to get a bad rap. And to make it clear for my colleagues, these are people we are told that in this year up to one million of the nation's poorest adults who fit into this category will be cut off of SNAP, as a 3 month limit on SNAP benefits for unemployed adults who are not disabled, or raising minor children, returns in many areas. I think a lot of people don't understand the very difficult circumstances that some of these people face.

Now, up here in Congress, these so-called reforms have been put into place. But, no one in Congress is on food stamps, no one is on SNAP, and so it sounds like a reform. We will just incentivize people to work, or we will incentivize people to get job training. But one of the realities is that many of these poor individuals who will be cut off are veterans, they have honorably served our country, and some of them are now deeply struggling.

Ms. Leibman, if you can just talk to us about the overlap between the veteran population and ABAWDs, that would be very helpful.

Ms. LEIBMAN. Yes. There is a significant overlap, obviously. And I referenced the notion that there would be 60,000 veterans, is the best estimates that we have been able to gather, that would lose their benefits when the time limits are implemented, when they are now going to have time limits on when they can get SNAP. And the challenges that they face have to do with having adequate access to training programs, which Congresswoman Adams referenced, and that—and there is a program in Washington State, that my colleague reminded me of, that is, in fact, an efficacious program, so there is a model to look to. But there have to not only be enough slots in those training programs, the training programs have to be meaningful, they have to be relevant to the job market in that particular community, and then there have to be jobs available.

Mr. MCGOVERN. Right.

Ms. LEIBMAN. And not all of that can come together at the same moment and the same time, for everyone who is looking. And for veteran populations that may become mobile, that is, they have to move again to look for work and start over again. And during all this period of time, they are no longer getting benefits so they are no longer able to sustain themselves.

So there is a circle.

Mr. MCGOVERN. These people are not lazy.

Ms. LEIBMAN. No.

Mr. MCGOVERN. They are not content at just being on SNAP, I mean they would like very much to have a job. But, because the situation is a lot more complicated than sometimes we make it, the situation that they face right now is that they may lose their benefit.

Ms. LEIBMAN. That is correct. Nobody has an easy or comfortable life living on government benefits.

Mr. MCGOVERN. Right.

Ms. LEIBMAN. It is not a boon, it is, in fact, a very limited existence, and one which virtually everybody on the program who is not currently employed, which a huge a percentage are, of course, is seeking a way to get off of government benefits, unless, of course, they are in a position where they are so vulnerable that they cannot find a way to get revenue in any other way, and then we need to find other programs that help to support them.

Mr. MCGOVERN. Thank you.

The CHAIRWOMAN. I now recognize Congressman Thompson, 5 minutes.

Mr. THOMPSON. Madam Chair, thank you so much for this hearing. I want to thank you and thank Chairman Conaway, despite some of the things you might have heard, there are no preconceived conclusions here. We are having an honest dialogue, just like some other folks had an honest dialogue over the weekend. And in that dialogue, we are going to hear different ideas; some we may agree with, some we don't, but unless we can have that dialogue, because we are not going to achieve our objective of making sure these are the best possible programs to meet the needs of folks who are out there.

These are important issues to me. Thirty years ago, my wife and I were starting out with our family, first child, we were on the WIC Program. Ms. Tebbens, I remember how uncomfortable back then we were taking those vouchers to the local IGA, but how important that was in terms of ensuring that my wife and our unborn and newborn son, Parker, who is now a 31 year old pastor, was able to get the nutrition that he needed to be healthy.

I am a military dad. I have a son and a daughter-in-law, the daughter-in-law is out of the Army now, but I am well aware of the military food insecurity, especially for those folks, when they go into the military, they are maybe a little older and they have a number of kids, just an E1, E2, E3, it is challenging, and I am glad I am hearing good ideas here of what we need to do.

I am a former therapist and a licensed nurse home administrator, so I know that senior nutrition is about senior health, it is about independence, and so I look forward to working on the Older Americans Act. I am also a proud member of the Howard Area Lions Club, and we maintain a food pantry. There are many different ways we attack hunger and nutrition. SNAP is a supplemental nutrition assistance program. It is not meant to be the end-all. I remember back when we were eligible for the WIC benefits, we also regularly received bags of groceries every time we left my in-laws. My mother-in-law packed the bag and my wife and I still reflect back on that, how important family was during those times.

With our Lions Club, we have a food pantry, but we also do something—I don't know if a lot of food pantries do this or food

banks. Our members deliver. Not everything, but there are folks who just can't travel. They live in remote areas, they have difficulties with transportation. And it seems to me it is really kind of interesting, as a former health care person and a rehab person, I just see the value in that because of what they see. It is contact that they have, these folks have, they are living by themselves normally, a little more isolated, and they get to see things. They may recognize health changes, they may talk about other needs.

And so my question for you really centers around that. We have heard from various witnesses in our review of the SNAP that every person's circumstances are different, and the best way to help a person is when you work with them to address their challenges from a holistic perspective. How does the personal connection, the person delivering the meals, better enable you to assist them with their needs beyond food assistance, and what sort of challenges are you able to recognize that one might not see if the groceries are simply left at the door? And anyone that would like to take that question on, I appreciate it.

Mr. FARIS. I would be happy to.

Mr. THOMPSON. Mr. Faris.

Mr. FARIS. Congressman, thank you very much. Every situation is unique, and in the world of Meals-on-Wheels, we try to address each situation as uniquely as we can.

The majority of the folks that we see are homebound, meaning they have difficulty getting out of the house easily. Some of them are able to take a parcel of food like you are talking about there in the box, and still able to do something with that, prepare their meals, some though, as I mentioned in my remarks about Emily, don't have the ability to stand for long and prepare that meal. So it all depends on the individual situation.

We start out with having a case manager go out and take a look, and just a general observation as to what is going on in the house and what the person's needs are, and try to get our best assessment on that. It is followed up either by volunteers delivering the meals once they begin service, or it may be paid staff in some cases, but just ongoing observations, because things change. We are talking about a rapidly aging population, and things can change in the blink of an eye. Health can definitely turn when we least expect it.

The volunteer checking on that person daily can observe that. Their cognitive skills may not be what they were. They may not be recognizing the person coming to the door like they were. Their appearance may have changed. And so we can get back.

Chairman Conaway was asking about families. In cases where there are still families involved, we can pass that information onto them or other caregivers along the way, and hopefully there would be caregivers there.

It could be a safety issue. There could be a smell of natural gas or something like that in the house. When you just have a box delivered to the door, that is not the exact same thing.

Mr. THOMPSON. Thank you very much.

Ms. LEIBMAN. If I could add, Congressman, the notion that charity helps to support the government programs is an important concept and it is an important partnership. But, it is the government

programs that provide the kind of consistent, stable, and baseline support that these families need, and that charity alone could never be responsive enough. In fact, I am sure, as you are aware, the pantries that provide assistance to families do so on a very irregular basis, meaning that you may be able to come in for groceries on one day on a particular week, and then not again for another month.

The CHAIRWOMAN. I have to cut you off there. Sorry.

The chair recognizes Congresswoman DelBene.

Ms. DELBENE. Thank you, Madam Chair. And thanks to all the witnesses for being with us today. We really appreciate your time.

I want to note, since we are discussing the needs of veterans as part of today's hearing, I recently was volunteering at one of the food banks in my district, at Hopelink, and in my district, 40 percent of food bank client households have at least one person currently serving or who previously served in the military. And this number goes up to near 58 percent in King County in Washington State, and at least 62 percent in Snohomish County. And as part of that, Madam Chair, I wanted to ask unanimous consent to insert into the record a letter from Food Lifeline, which is an organization fighting hunger in our district, that elaborates on this even more. Thank you.

[The letter referred to is located on p. 599.]

Ms. DELBENE. I also wanted to go back to some of the discussion we have had on able-bodied adults without dependents, and the cliff that we see when folks are unable to find employment programs, or unable to find work. As we talked about earlier, nationwide the ABAWD cliff includes 60,000 veterans, 60,000, and according to the Center on Budget and Policy Priorities, over 40 percent of this vulnerable population are women, close to ⅓ are over the age of 40, about ½ are white, ⅓ are African American and 1/10 are Hispanic, and we know that Native American populations will also be hit hard.

I helped introduce legislation, the SNAP Work Opportunities Act, that would provide an exception to the 3 month time limit for those looking for work in states that don't have the resources to offer them job training or workfare opportunities. As was noted, thanks to Ms. Leibman for pointing out, we have had a lot of work in my State of Washington on SNAP employment and training, education and training efforts, and we know that there are pilots now that we helped start in the last farm bill that will continue to hopefully come up with great ideas of how we can use SNAP E&T to again help folks not need SNAP programs anymore because they are able to find jobs that allow them to be self-sufficient.

But I wanted to hear more broadly, from everyone on the panel today, about how the ABAWD cliff will hurt populations that you are representing. Ms. Leibman, you talked a little bit, but are there others who can tell us a little bit more about how this has affected some of the folks that you have been working with?

Mr. SCHNEIDEWIND. Well, we at AARP, at least, know that there are potentially one million people affected, and it is serious enough so that we are looking at it and believe it may need revision, and that work will go forward to take a careful look at it.

Ms. DELBENE. Go ahead, Mr. Faris.

Mr. FARIS. One of the challenges we have is that once a senior hits the poverty level, it is very hard for them to climb out of that poverty level, and work opportunities are not there. And we are talking about able-bodied seniors here, as opposed to those that are homebound. It is very, very difficult for those that are needing work at that age when it is not available to them.

Ms. DELBENE. Thank you.

Mr. Schneidewind, in your written testimony you ask for Congress to keep work requirements for SNAP at their current level. Can you elaborate on why you have made that suggestion in your written testimony?

Mr. SCHNEIDEWIND. Well, pretty clearly, right now among seniors, as I have said, the participation rate in SNAP is already quite low, in the 40 percent range *versus* 80 percent range of otherwise eligible people. So we think that any heightened work requirements would further reduce the participation. And really, it is critical to keep an increased participation because this is really a healthcare cost issue. If we can keep people in their homes through SNAP benefits, they may then avoid institutional care, which can cost Medicare and Medicaid almost three times, particularly Medicaid, three times the amount that you would have to pay to keep them in home. And that is where they want to be is at home. So we think that, really, the requirements should be liberalized rather than tightened, because this is a program that can save taxpayers money through reducing institutional care.

Ms. DELBENE. Thank you. Thanks again to all of you.

And I yield back, Madam Chair.

The CHAIRWOMAN. Thank you.

The chair recognizes Congressman Gibbs, for 5 minutes.

Mr. GIBBS. Yes, thank you. Thank you all for coming to help enlighten us a bit with how these programs work and what the challenges and struggles are.

I have really been hearing Ms. Tebbens talk about your experience, and thank you for your family's service. Can you elaborate on why some military families choose to live on the base *versus* off the base? Is there a difference in cost?

Ms. TEBBENS. Yes. When we first moved to Washington, I was under the impression that since the military is moving you, and the military has housing, that housing would just be a given. You would just show up at the housing office and they would tell you where you are living, and that would be it. But I came to find out that at most military bases there is actually quite an extensive wait list. It could be 6 months to a year, it could be even 2½ years; a very, very long wait.

Mr. GIBBS. Yes.

Ms. TEBBENS. So in those instances, you are forced to rent. The housing office does have binders and stuff there that you can look through of local properties and such. So when we started looking around, we knew how much we would be getting in BAH, and so we specifically chose an apartment that the monthly rent would be far enough under our BAH that the difference would also be able to cover our utilities so that it would kind of be flush. And also we were moving from Arizona, and so we kind of had to set up all of our military move stuff through the local Air Force base, which was

really odd and difficult. And so when we moved up there, we actually had no idea that you are supposed to get up-front money before you move each time to help offset some of the costs. And because we didn't know to put in the proper paperwork for it, we didn't actually get any of that. So when we got the apartment, we actually had to ask my parents for a last-minute loan just to pay first month's rent and deposit.

Mr. GIBBS. Okay. So we need to figure out what is going on there to help facilitate that.

Ms. TEBBENS. Right. Yes.

Mr. GIBBS. And, Mr. Faris, through the multiple hearings we have had, we have talked quite a bit about the challenges in rural America *versus* the more populated urban areas when addressing hunger. People just normally assume that if you live in an urban area, you have more access to grocery stores in a close proximity. But, however, we have learned that not always might be the case. And can you maybe elaborate, the difference might be living here in Washington, D.C., *versus* living in my rural county back home in Ohio, some of the challenges you face as an organization, and what the similarities are fighting hunger, and then also the challenges in rural and urban?

Mr. FARIS. Yes, sir. First off, we know that seniors living in rural areas are going to be much poorer than others across the population. Their food insecurity is going to be far greater. And so that is one of the challenges that starts off in the rural areas. The other thing in the more rural areas is resources are not there, and whether it is local community programs or governmental programs. Transportation is first and foremost; how do we get access to the resources that are available to them. So that is very, very difficult in the rural area.

One might say that in the urban area that there would be more resources. Hopefully there would be more resources. Hopefully there would be transportation. That is not always the case. It varies from community to community.

In the frail, elderly, homebound, extremely needy population that we are working with, that are behind closed doors, we are not sure exactly what we are going to find, and that is the same whether it is in urban or rural, because many times, by the time we discover what is really behind that door, it is often too late.

Mr. GIBBS. Yes.

Mr. FARIS. So it is challenges in both spectrums.

Mr. GIBBS. Right.

Thank you. I yield back.

The CHAIRWOMAN. Thank you.

The gentlewoman from Arizona, Mrs. Kirkpatrick, is not a Member of the Subcommittee but has joined us today. Pursuant to Committee Rule XI(e), I have consulted with the Ranking Member, and we are pleased to welcome her to join in on the questioning of witnesses.

So, Mrs. Kirkpatrick, 5 minutes. Thank you.

Mrs. KIRKPATRICK. Thank you, Madam Chair. And thank you for allowing me to participate in this hearing. I thank the Committee for having this hearing.

I represent a very large rural district in Arizona, and hunger and food insecurity are major, major problems. I visit the food banks in my district and the food pantries, and one of the things I have observed over the years is younger families with children coming in. They are underemployed, they are talking with other people there about where they can find another job to help them get off of assistance. I think often about hearing from a pediatrician several years ago who said that she has seen more infants with malnutrition than ever before because the parents are diluting formula. And I have a 7 month old grandson and I know what a voracious appetite he has, and it really saddens me that parents are having to make that choice.

And so my first question is for you, Ms. Leibman. I want to ask you about the Family Subsistence Supplemental Allowance, FSSA Program, that was set up to help our military families. I know some of these families I am seeing are military families or veteran families, and that program is set to sunset. And so I have two questions. Why didn't that program work, and what are we doing to make sure that these families, who are struggling to put food on the table, have the assistance that they need?

Ms. LEIBMAN. When FSSA was created, it was created to serve more of a political purpose than a practical one, and it has been designed in its application process and approach to really deter people from accessing it. So you have to go through the chain of command in order to receive FSSA. And for many people who are currently serving in the military, not only is that simply not an option for them, they want to come in and speak to the commanding officer of the base.

Mrs. KIRKPATRICK. Can you elaborate a little bit on that chain-of-command? Is it just one person or multiple people?

Ms. LEIBMAN. No, you must go all the way up the chain-of-command to the top ranking individual on the base. In part, you often have to do this because the individuals whom you normally would consult about support and assistance, the chaplain's office. In the Air Force it is the sergeant majors who serve more as that access, but they don't even know that there is a program called FSSA. Some of them don't even know that active duty military members can apply for SNAP. FSSA is very similar in its support to what SNAP offers, but accessing it can be very challenging for these active duty military members. So there could be ways to fix it. The benefit level could be adjusted so it really was truly serving the realistic needs of members in the military. The application process could be streamlined, but the recommendations that we have seen are to sunset it, and we understand that, but it means that making SNAP not only available, but making individuals on the base aware of the fact that SNAP is available to active duty military members much more imperative because it will become their lifeline for support, especially at the lower-ranking enlisted levels.

Mrs. KIRKPATRICK. And what is being done to streamline the SNAP process? I mean, that is going to be what they have to rely on.

Ms. LEIBMAN. Yes.

Mrs. KIRKPATRICK. Are we educating them, are we streamlining that process to make it better for them?

Ms. LEIBMAN. There is certainly a great deal of outreach that is being done. I know that one of the reasons that for MAZON this became a real priority issue was to do some outreach in addressing the lack of awareness about SNAP and its availability. But, the most important fix that we see as essential here is the treatment of BAH and the way that it is treated for other Federal nutrition programs, that is, that it must be excluded, or the ability to access those benefits will be moot because nobody will qualify. It is an inconsistency and government policy and law that really needs to be corrected.

Mrs. KIRKPATRICK. Thank you. I have just about 30 seconds left. I want to ask really quickly, I represent 12 Tribes in my district, and food insecurity and hunger are huge issues for Tribes and can you just quickly, in about 20 seconds, tell me what you know is being done for Tribal communities?

Ms. LEIBMAN. Yes. I know that hunger and food insecurity among the Navaho Nation is at 75 percent, which is outrageous. There are programs and organizations working with government to try to address these problems that are not only systemic, but deeply rooted. And as many of these subpopulations are there, it is a complicated and challenging set of issues that have to be looked at and have to be addressed.

Mrs. KIRKPATRICK. Thank you. I thank the panel.

I yield back. I thank the Chairwoman and Ranking Member for your courtesy.

The CHAIRWOMAN. Thank you.

The chair now recognizes Congressman Crawford, for 5 minutes.

Mr. CRAWFORD. Thank you, Madam Chair.

Ms. Leibman, I want to go back to the question that Mrs. Kirkpatrick raised. If I understand this right, walk me through this, you are saying that a junior enlisted person would have to ultimately meet with the installation commander to get authority to participate in certain benefits?

Ms. LEIBMAN. They don't have to go all the way up the chain-of-command. What we have at learned anecdotally is that it is often the case, because those people that they normally would get information from and assistance from don't know, and so they check up the chain-of-command. And that individuals have concerns about who is going to know that they have sought out these benefits, and what that might do to their security clearance, and what it might do in terms of their treatment by their colleagues and by their superior officers.

Mr. CRAWFORD. Ms. Tebbens, did you experience anything like that?

Ms. TEBBENS. I actually never, in the 8½ years that I was affiliated with the Navy, I never even heard mention of that program. I actually only learned of it about a year ago when I initially started working with MAZON, but I have never heard of it, even through other spouses or anything. I didn't even know it existed.

Mr. CRAWFORD. So when you started to apply for programs like WIC, which you mentioned that you availed yourself of was that application made off the installation, or was there an office on the installation that could help you get those benefits?

Ms. TEBBENS. No, I went to our local WIC office, which was just a small office in our town in like a private office building——

Mr. CRAWFORD. Right. So it was administered by the county, so it wasn't—there was no installation liaison or anything like that?

Ms. TEBBENS. No. I know it can be different. Part of the problem is inconsistency between bases and where you are living, and at least in my experience where we were, when we went to the Navy Marine Corps Relief Society on the subbase in Bangor, all they really knew, and it might be different at other Navy Marine Corps offices, was just the Military Star credit card. That was the only advice they could give us.

Mr. CRAWFORD. Okay. Let me go a different direction here. You mentioned that you were on WIC for a period of time, and that once you improved your employment situation then you transitioned off of WIC.

Ms. TEBBENS. Yes.

Mr. CRAWFORD. Was that something that you just did on your own, or was there a requirement to re-certify your eligibility at any point in time?

Ms. TEBBENS. When we moved from the Kitsap Peninsula over to just north of Seattle, since we were switching WIC offices, every 6 weeks you get vouchers, so you have to go in, and I forget the timeframe for re-inputting all of your financials, and all of that.

Mr. CRAWFORD. It is kind of an ongoing certification process for WIC. Is that your——

Ms. TEBBENS. Correct. Yes, you are not like just given vouchers for the whole year. I think it is in 6 week increments and that might have changed from then, but it is very short increments of time you get the bundle, and then you keep having to go in and meet with them about various things.

Mr. CRAWFORD. Okay.

Ms. TEBBENS. When I found my full-time job, I was realizing that we weren't using as much of the voucher each time, so I just realized, I told them at my next meeting I don't need this program anymore.

Mr. CRAWFORD. Okay. Let me ask you this. I am a military brat, grew up on military installations, served in the military myself, and I know that at the time that I served, there was a thing called separate rations. So if you are an enlisted member, you would get a meal card, unless you were married or unless you were on a special duty where you couldn't access the chow hall at specific hours, so you would be given separate rats. Does anything like that exist now?

Ms. TEBBENS. The only thing that I know of is——

Mr. CRAWFORD. They might call it basic allowance for subsistence.

Ms. TEBBENS. Yes. Yes. So the BAS. It depends. If you are deployed then you don't get it because the ship is feeding you, but when you are back onshore, you do. So there were definitely times over the 8½ years where sometimes we had it and sometimes we didn't have it, just depending on what my husband's point in his career was.

Mr. CRAWFORD. I understand. Thank you. I appreciate you sharing your testimony.

And, Madam Chair, I ask that you might consider maybe a joint hearing with this Subcommittee and Armed Services to address the nutritional issues that have been brought up in this hearing.

The CHAIRWOMAN. Yes. Absolutely.

Mr. CRAWFORD. I yield back.

The CHAIRWOMAN. Thank you.

The chair recognizes Congresswoman Lujan Grisham, for 5 minutes.

Ms. LUJAN GRISHAM. Thank you, Madam Chair. Thank you to the panel.

I appreciate you being here. We are going to have a joint colleague effort here because of the statements that my colleague from Arizona, Representative Kirkpatrick, in addition to my colleague from Arkansas, Representative Crawford. In New Mexico, we have permanent SNAP lines at the commissary on the Air Force base, because we have such high poverty rates and such high rates of other issues, that it is more commonplace than it should be. And it really speaks to a larger problem. We certainly want to make sure that folks who are entitled to those benefits get those benefits, and that we don't put the kind of barriers in place that those families are food-insecure. But, it speaks to a larger problem that we need those benefits for enlisted personnel in the military, and in so many other work environments in this country. And I really want to thank MAZON for working with so many New Mexico partners, including the Center on Law and Poverty, and Appleseed, and Road Runner Foodbank, because I state it all the time. I keep hoping that there is going to be a sooner-rather-than-later position from me here where I get to say that those rates are dramatically changing in my state, but we have some of the highest hunger and poverty rates in the country.

And as a result, looking at different populations, we are now really struggling with the veteran population as a subset, and the high rate of food insecurity. The Road Runner Foodbank has told me that 26 percent of the clients that they are serving, contains at least one member of either serving or has served in the U.S. Military. In our state, the unemployment rate for post-9/11 veterans is nearing ten percent. This trend, unfortunately, is that it is growing, that we are not shrinking that. And while 50 percent of New Mexico veterans are employed after they exit, according to the Veterans Employment and Training Service, which is great, the average reported salary still makes a family of four eligible for SNAP. You highlighted in your testimony the number of military families that are, frankly, in danger of losing their SNAP benefits, and that you are expecting 60,000 veterans to lose their benefits because of the expiration of the work requirement waivers for able-bodied adults without dependents. I am very concerned about that very same thing, where New Mexico has a higher per capita average of veteran populations in our state and in my district. But, despite our severe economic issues in New Mexico, our Governor has not only chosen to reinstate the work requirements as of January 1, but is also planning to expand them now to include people aged 16 to 59, and parents of children over 13 years. I have no doubt that this is going to further exacerbate the problem that you have testified about, and it means that these families never get a chance to

become whole. We are not really addressing that opportunity aspect, if you will, by making sure that their basic needs are met.

Can you tell me what we can do here, as Members of Congress, to really think about the weight balances, because I don't think we do that very effectively, right? So, we want folks to get work opportunities, and we don't want being eligible for public benefits to create an environment where you are not succeeding and moving ahead. We don't want to create a requirement that makes someone choose between that job, or any job, or no job at all, and those benefits, and exacerbate these poverty issues and stigma issues. What can we do to create those balances more effectively, and recognize the populations that we really are hurting?

Ms. LEIBMAN. I think that one of the challenges of having to access and rely on government benefits is whether or not those benefits are enough to provide the kind of financial stability that you need to move your family out of poverty, to provide the kind of security that you need in order to get an education, get a well-paying job, the jobs that people can access that are readily available in many communities pay below a living wage, which means that people cannot get off both assistance and maintain the job. So the challenge of the limitations on how long you can be on benefits, what the benefits are actually paying you, plays into a system that doesn't provide adequate childcare or subsidized childcare, so both parents can't work. For households that are headed by single parents, particularly those headed by women, those challenges are exacerbated by other kinds of barriers to getting gainful employment. So the complexity of the interplay between these issues means that Congress needs to take a good hard look at securing the level of benefits at a rate that provides people with financial stability, and is a realistic safety net that allows them to get security and then move off of benefits. For those for whom gainful employment is no longer an option because they are either disabled or they are too senior to work, then we need to think about systems and how those play into other kinds of supports that allow people to live with dignity as they age, and they can provide themselves and their families with the kind of support that they need.

Ms. LUJAN GRISHAM. Thank you.

Mr. SCHNEIDEWIND. Congresswoman, one of the things we are really concerned about at AARP is any attempt to expand eligibility requirements so they really negatively impact people above 50, there is some talk about raising eligibility to 59, and people in that age category have a much harder time finding new employment. That has been demonstrated. So any increase in the age requirement is going to be very harsh for those included.

Ms. LUJAN GRISHAM. Thank you.

I yield back.

The CHAIRWOMAN. Thank you.

The chair recognizes Congressman Benishek, for 5 minutes.

Mr. BENISHEK. Thank you, Madam Chair. I would like to thank the witnesses for being here, particularly you, Ms. Tebbens. I really congratulate you for the courage to be here today and talk about your story.

Ms. TEBBENS. Thank you.

Mr. BENISHEK. I am a firm believer in public-private partnerships, and really believe that many of these nonprofit groups—such as you represent here today—are very helpful in knowing more about the individual than the Federal Government does, and able to better figure out the *milieu* in which that individual lives, and how to best help the people that you are serving. I believe that leveraging Federal dollars to help people like you, and other groups too, is really the best way to help people.

I represent the northern half of Michigan, which is a very rural area. It is very-low-income. We have a lot of veterans. We have a lot of seniors. The things we are talking about here today at this Subcommittee are very pertinent to where I live. And I am also on the VA Committee. I am actually the Subcommittee Chairman for Health. And I would like to talk about our veterans a little bit.

Private organizations working to help feed veterans could use a little help from the VA. And I would like to learn from each of the representatives of the organizations how they work with the VA currently, and what can be done either with SNAP or with the VA to make this easier for you all to help them.

Ms. Leibman, would you start in trying to address that?

Ms. LEIBMAN. Absolutely. We have done a webinar training for VA social workers and caseworkers, and we are about to do another one. We have been working with the VA to help them communicate with and partner with the USDA, especially because there is so much overlap between the issues of nutrition and health, and the access points for many veterans into the system have to do with their disabling conditions and/or their health conditions, and to make certain that those health professionals understand that there are resources available to help support the nutrition of those vets that are coming to them. The VA alone can't resolve all of these challenges, and I think that is why we are here to look to Congress to make certain that there is strong direction here that looks to supporting those institutions and those government programs that are designed to provide them with adequate nutrition benefits, and that lies here with Congress.

Mr. BENISHEK. Mr. Faris, do you have any input on my question that you——

Mr. FARIS. The relationship with the VA can always be improved. This past year, there was something like 500,000 veterans that were served by Meals-on-Wheels programs. Depending on where the program is located, it will be higher and lower. We are located just south of Dallas and Fort Worth.

Mr. BENISHEK. Does the VA help you then? Does the VA contribute to the funding of this?

Mr. FARIS. No, sir. No.

Mr. BENISHEK. Mr. Schneidewind, do you have any comment?

Mr. SCHNEIDEWIND. Well, I am glad you raised the issue of public-private partnerships because one of the things that we have tried to encourage is the increased uptake of fresh fruits and vegetables, and we have this AARP Foundation working with not only local farmers' markets, but food retails to pilot programs where the individual citizen or recipient of SNAP could go in and get private incentives, in effect, to purchase more fresh fruits and vegetables from local vendors and also supermarkets. And we have had great

success with that. And what we are looking toward is to encourage the private-sector to help us improve the health of recipients through increased use of fresh fruits and vegetables. So we think that has a lot of potential to improve health over long term and utilize the private-sector.

Mr. BENISHEK. Mr. Faris, I would like to also ask you another question. We just have a minute left, or ½ a minute. My district is very rural. Is your area rural as well? We have a lot of difficulty with elderlies, people living remotely, how does that work?

Mr. FARIS. Yes, sir. We have roughly a 1,700 mile^2 service area where I am. Approximately ½ of it is suburban, the other ½ is extremely rural. And it is almost like a step back in time when you go down some of those county roads out there, and it is extremely difficult. Some of the more rural routes we have, it may take an 1½ to 2 hours to get to some of those, compared to Arizona or New Mexico, ours is a very small expanse compared to there, but it is quite difficult, adds to the cost, and it is the challenge.

Mr. BENISHEK. Thank you. I am out of time.

Thanks, Madam Chair.

The CHAIRWOMAN. Thank you.

The chair recognizes Congressman Abraham, for 5 minutes.

Mr. ABRAHAM. Thank you, Madam Chair. And I thank the witnesses for being here.

Ms. Leibman, I will direct this question to you, but, Ms. Tebbens, you can surely jump in with your experience.

As you recall, the 2014 Farm Bill did include some funding upon existing SNAP employment and training programs, and to test some new strategies to determine the, I guess, the most effective ways to help SNAP recipients gain and retain employment that leads to self-sufficiency. And I was pleased to see that the Washington Department of Social and Health Services was awarded a grant through this pilot program to help individuals with significant barriers, including veterans, through comprehensive case management and work-based learning opportunities. And many of these jobs that these men and women performed overseas are very difficult, we know that, and they are very different from the employment opportunities that we have here at home. What can you tell us about the unique nature of the employment challenges some of our veterans face?

Ms. LEIBMAN. I think that it is important when we think about this question and these issues to bear in mind that the age range of veterans is extraordinary. It is not only individuals who have just demobilized and are in their twenties, but it is also people who served years ago and there are categories as veterans because they served our country honorably and are now in their fifties or sixties. And as my colleagues here from AARP and Meals-on-Wheels testified, the employment opportunities and access points for individuals who are in their fifties is very challenging. So you have a population that is not homogeneous, you have a population that for those who are younger are getting demobilized, they are getting demobilized in locations that may be unfamiliar to them, they may not be able to go home, they may not have family support systems. They may be in situations where they are getting retained for jobs and there are no opportunities, or those opportunities are being

filled by people other than veterans. And there are the same kinds of challenges for those who have other kinds of employment challenges that exist for veterans as well. But it is complicated by the fact that they have been overseas at some period of time in their lives, or have been on-base for some period of time and now coming back into civilian population.

Mr. ABRAHAM. Okay, thank you.

Ms. Tebbens, do you have anything to add to that?

Ms. TEBBENS. In terms of veteran employment, I am not really sure, but in terms of spouse employment, I know it can be really difficult, especially if you are in a position like I was as a teacher, or I have a friend who is a lawyer, or many other friends who are teachers or maybe hair stylists, anything that requires a license from the state, when you move every 3 years, it can be very difficult if you have already had a really career going or a client base, or anything like that, and then you up and move, a lot of times you are not only starting over, but if your new state does not recognize that license, which is also often the case, it can be a huge impediment.

Mr. ABRAHAM. You have to retake the exam, or something like that.

Ms. TEBBENS. Yes, retake the exam or other things, which can also be very expensive and very difficult when you are also trying to situate your children in new schools and things like that. And, for instance, where we moved to, the Kitsap Peninsula, which is right across from Seattle, is very small and often very rural, and there is not a lot of opportunity. When we moved across to Everett, I was able to get a really, really excellent job and then we were fine, but I would have had to commute over to Seattle while we were living in the Kitsap Peninsula, which was difficult because we had one vehicle and a newborn. And that is about an hour away.

Mr. ABRAHAM. Okay.

Ms. TEBBENS. Yes.

Mr. ABRAHAM. And, Ms. Leibman, one last question.

Ms. LEIBMAN. Yes.

Mr. ABRAHAM. If we run out of time, you can certainly reach out to me afterwards. Going through this child nutrition reauthorization, we have been successful in identifying ways to streamline and improve child hunger programs, with the goal to make them more effective and more efficient. We have a child nutrition safety net that makes meals available during the summer and after school to all children who are eligible. What recommendations would you identify to improve and streamline these hunger programs such as SNAP for our seniors and veterans to make them more efficient, effective in reaching and providing services for our hungry seniors and our hungry families?

Ms. TEBBENS. In terms of the military, I would just say that even just informing military members that they might be eligible for any of the programs is really, really important. And then in regards to SNAP, removing the BAH component like they do with the WIC Program. And, last week, I just wanted to check and see, if I was in this same exact situation I was when I was pregnant, if I reconfigured it for now with SNAP what we would get, and if I omitted the BAH and also zeroed out all of the costs for housing, it would

still only be $66 a month that we would be getting. So not a huge amount of money.

Mr. ABRAHAM. Thank you.

I am out of time, Madam Chair. Thank you.

The CHAIRWOMAN. Thank you.

The chair recognizes Congressman Yoho, for 5 minutes.

Mr. YOHO. Thank you, Madam Chair. I appreciate you all being here. This will be the last questioning.

And I come from the State of Florida, and as you probably are well aware, we are the third largest in the country. I live in a district that has the second largest VA community in the country. It has over 121,000. People joke that Florida is the state of the newlywed or nearly dead. I don't know how you want to take that, but we serve a large area. We have rural and we have also a lot of military veterans, as I have talked about, both retired and active. And we also have checked with our office for this meeting and we get one to two inquiries about every other month for food assistance. And, of course, we automatically deal with them. And I can relate to G.T. Thompson because we have been on a WIC Program, my wife and I, about 100 years ago in our youth, and I know the importance of those.

And, Ms. Leibman, you were talking about, there are 2,000 to 22,000 veterans estimated of needing food assistance, and I was looking at the numbers in here, and my question is why has the participation been so low? And I know we have covered a lot of that, but again, I would like to hear your answers of why you think it is so low. Is it underreporting?

Ms. LEIBMAN. Well, the 2,000 to 22,000 figure is in active duty, that is the estimate of the currently serving that are on SNAP.

Mr. YOHO. Okay.

Ms. LEIBMAN. And so one of the things that we saw as a challenge when we began this work was that it is very difficult to get complete and accurate data, and that is why you could have a span of numbers that is quite that large, and——

Mr. YOHO. Okay. I want to cut you off there. And as I did your numbers here, and you went to the Blue Star Survey, which I have pulled up here, when I look at the numbers it said it was, seven percent of the 2015 reported, more than seven percent responding active duty military and spouses face food insecurity. And if I take that number of the 19,455 active duty, that comes down to 1,900—well, 1,362 individuals. And I guess my question is, is this a program that we need to expand on a Federal bureaucracy, and increase the bureaucracy, or is it simpler to go into the military and say you need to pay these people more?

Ms. LEIBMAN. So the——

Mr. YOHO. And I want to go to Ms. Tebbens after this.

Ms. LEIBMAN. Far be it from me to suggest that the military should not pay people more money. I do think that that would be an important aspect of the entire picture here. But in the interim, until that would happen, and for those people for whom those additional funds would not be adequate enough to cover their family's needs, the military does have a responsibility to make sure that its members are aware of and given access to the Federal programs that the rest of America accesses and enjoys as a part of our rights

as citizens to be relying on our government to help us when we are vulnerable. And the challenge is that the numbers do not tell the story yet because we do not have accurate and complete numbers.

Mr. YOHO. I have lost my microphone. I agree with that, that we need to make sure people are getting the assistance they need, but I don't want to go down the road of increasing and growing a government program when there is a simpler solution. The government is not always the answer in this.

Ms. Tebbens, in your experience, and you alluded to this that you guys moved how many times?

Ms. TEBBENS. Gosh, three different duty stations.

Mr. YOHO. In how long, 8 years?

Ms. TEBBENS. Yes.

Mr. YOHO. All right, three different duty stations. And I understand the disruption of the workforce. And you are a school teacher, correct?

Ms. TEBBENS. Yes, I was, yes.

Mr. YOHO. Okay. And so each time you move, I understand there is a transition period that you have to go through, and in dealing with what you were talking about, cosmetology, or any other field, if you are not licensed in that state, we have addressed that and we have passed legislation to look at reciprocity between the states, and I think that is something that can solve this.

In your active duty and your—or your husband, as a military family did you get a food allowance, because I know in the Coast Guard they get about $350 per month in food allowance? Did you have that, and does it go up with the size of your family?

Ms. TEBBENS. Yes. I don't recall if it increases with the size of the family. What I do remember about the BAS allowance is that it really hinges more on the active duty person and where they are in terms of being currently stationed. So, for instance, if my husband was around and just working on the base, we might get a few hundred dollars a month, let's say, but then if he is deployed, the military is looking at it as, "Well, the galley on the ship is feeding him," so because it is not really about the whole family, it is more focused on the active duty member. And so when they are gone for 7 months on a carrier and that is removed, then that could be a couple of hundred dollars out of the larger family.

Mr. YOHO. Okay. And I appreciate you guys coming here because those are issues that we need to address. We just want to make sure we do it the most efficient way to serve the families of our military. And I am sorry I didn't have time to go to the elderly, since I am one now, but I appreciate you all being here.

The CHAIRWOMAN. Thank you.

I appreciate the panel's help in understanding the challenges faced by seniors, veterans, and active military members. They are, indeed, special populations that we must consider as we look at ways to strengthen SNAP and the other food assistance programs.

You have certainly given us plenty to think about as we continue to look at the past, present, and future of SNAP. No program is perfect, we understand, and we can always do better.

Under the rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional mate-

rial and supplementary written responses from the witnesses to any question posed by a Member.

This hearing of the Committee on Agriculture, Nutrition Subcommittee, is adjourned.

[Whereupon, at 11:42 a.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED LETTER BY HON. VICKY HARTZLER, A REPRESENTATIVE IN CONGRESS FROM MISSOURI; ON BEHALF OF ROGER P. ALLISON, VIETNAM VETERAN AND EXECUTIVE DIRECTOR, MISSOURI RURAL CRISIS CENTER

January 6, 2016

Hon. VICKY HARTZLER,
Member of Congress,
Washington, D.C.

Dear Representative Hartzler,

I am writing today on behalf of The Missouri Rural Crisis Center (MRCC) regarding the upcoming hearing of the *House Agriculture Subcommittee on Nutrition related to the Supplemental Nutrition Assistance Program (SNAP) and special populations* on January 12th. We know that this hearing has not yet been made public, but we hope that you will be able to attend.

MRCC is a statewide farm and rural organization with over 5,000 member families across the great state of Missouri. For 3 decades we have worked to improve the lives of family farmers and rural families whose communities have historically depended upon agriculture and small businesses as their economic motor. With decreasing numbers of farmers and declining economies in rural communities, our programs have been crucial in rural MO.

Since 1986, one of MRCC's top priorities has been to address food and nutrition needs of rural families through our Rural Food Cooperative Program that helps provide limited resource families with access to fresh fruit and vegetables, bread, canned goods, staples and Missouri family farm raised meat. Literally tens of thousands of rural Missourians have participated in this program since its inception, many of whom are senior citizens and veterans. This year we distributed over 200,000 pounds of food to rural families.

MRCC sees first-hand every single month how the issues of food insecurity and hunger affect rural Missouri families. In your Congressional district, we operate MRCC Food Co-op Programs in Morgan County, Pettis County and Randolph County. In this year alone, over 1,500 people in those counties relied on our program to meet their food needs. Even with our Food Co-op program, many families still need to rely on the food stamp program in order to meet their basic nutritional needs. More and more, Missourians are faced with having to make decisions each month about whether to buy their medications or to buy food. This is just wrong.

Although MRCC and the Supplemental Nutrition Assistance Program have helped alleviate hunger in rural Missouri by supplementing the food budgets of thousands of limited-income households, for many rural households, food insecurity remains a serious problem in rural Missouri. In 2014 USDA reported that Missouri was the second worse state for food security among is citizens. 17% of Missourians reported skipping meals because of lack of money.

Because rural communities have higher rates of senior citizens and veterans, these are the people who are often the most impacted by lack of adequate food and economic opportunity in their local communities. They are also the people who frequently step up to help their fellow Missourians. In Sedalia, our Food Co-op Program depends on people like Jerry and Rich and James who are all veterans who not only participate in the program, but who have also volunteered every month for 10 years to help distribute food to people in their community. Our Food Co-op in Gravois Mills was started by Missouri Veterans and has been held in the local VFW every month since 1988.

When times are tough, we count on veterans. They were there for us as Americans when they served our country, and now we should be there for them.

This is why we are respectfully asking that you attend the *House Agriculture Subcommittee on Nutrition Hearing on the Supplemental Nutrition Assistance Program (SNAP) and special populations* on January 12th.

We are very pleased to learn that Abby Leibman from MAZON: A Jewish Response to Hunger will be testifying at the hearing about veterans and hunger. MAZON has been great partner in MRCC's anti-rural hunger work, so we hope that it will be possible for you to attend the hearing.

Thank you for your time and consideration on this vitally important issue.

ROGER P. ALLISON,
Vietnam Veteran & Executive Director, MISSOURI RURAL CRISIS CENTER.

SUBMITTED STATEMENT BY HON. MICHELLE LUJAN GRISHAM, A REPRESENTATIVE IN CONGRESS FROM NEW MEXICO; ON BEHALF OF NEW MEXICO ASSOCIATION OF FOOD BANKS

New Mexico is the 5th largest state in terms of land mass (121,589 miles^2). In contrast, we are 36th in population (with a population of just over 2,000,000). That translates to just over 17 people per square mile.

Outside of the interstate corridors (I–25, I–40 and I–10), it is not uncommon to have a 40 to 60 mile drive to reach a full service grocery store or basic services like health care facilities (and in some areas the drive is even longer). Catron County, located in western New Mexico, doesn't have a single grocery store in the entire county. These factors result in a large number of "food deserts" around the state. Couple the "food deserts" with the fact that New Mexico is an actual desert, with limited large scale agriculture, and you can see the scope of our food acquisition and distribution challenge.

In addition, the large geographic area and sparse population creates "resource deserts" with large sections of the population having limited access to medical facilities and other support resources.

Our next challenge is limited employment options, including, but not limited to:

Very few corporate employment bases—those that do exist are mainly on the I–25 corridor.

A large number of jobs that traditionally pay higher wages are in cyclical industries like mining, oil & gas, and agriculture. This can result in seasonal layoffs or sudden increases in unemployment which places a great strain on support network resources (in recent years, there was a mining layoff in southern New Mexico that resulted in more than 20% of the workforce facing immediate unemployment).

In regard to special populations, many of the people we serve are either elderly or military veterans (and in many cases both). 21% of the clients we serve are over the age of 60, and **26% of our clients report having at least one member that is serving or has served in the military.**

Our military veterans face challenges from limited employment opportunities, restricted or no access to full scale mental health services, and transportation challenges for those coping with physical disabilities. Our member food bank serves the thousands of veterans that need assistance through our statewide network of partner agencies (food pantries, soup kitchens, community centers, shelters, senior centers, mobile pantries and other meal provision programs). But the nonprofit emergency food sector cannot meet the full need of all those needing food assistance and support services. In addition to continued access to food programs like SNAP, our veterans need access to employment opportunities, health care and physical therapy, and mental health care programs. When those systems are in place to serve the needs of veterans, we see so many success stories like Michael.

Michael is a Vietnam-era U.S. Marine Corps veteran and one of our former clients whom we met at the New Mexico Veterans' Integration Center (VIC) recently. Ten years ago, Michael was living homeless in Albuquerque when VIC first opened its doors.

"I was beyond fortunate to find them when I did," Michael told us. "I just didn't know my odds of making it for much longer, no job, no steady food." Once Michael settled into their short-term housing program, Michael said he dove into earning some money to save with VIC's food distribution program while he built up cooking skills and looked for a steadier place to live. A few years later, Michael found that steady place to live right in Albuquerque with enough money saved up and a stable position to continue supporting himself.

Yet, Michael was filled with gratitude for his time with VIC and to this day, he volunteers at VIC 4 days per week, starting each of those shifts by 7:35 in the morning.

"This place and what the food bank does to make the food possible here makes a great impact," Michael reflected with us. "To go from homeless to having a place of your own just makes me want to help my fellow vets all the more." With tears in his eyes, Michael looked across the room and thanked everyone who helped him not only get the food he needed for nourishment. He also thanked other VIC staff who assisted him in securing his full Social Security and veteran's benefits which have helped him greatly arrive at where he is now.

Michael's story is just one of thousands from across New Mexico. We urge the Committee Members to continue their efforts to identify the needs of special populations like military families and veterans and to support food programs and related services that provide essential support to those populations.

Thank you for this opportunity to tell you about New Mexico, and thank you for the time and energy that you are giving to protect the interests of some of our most vulnerable people.

SUBMITTED LETTER BY HON. SUZAN K. DELBENE, A REPRESENTATIVE IN CONGRESS FROM WASHINGTON; ON BEHALF OF KATHARINE RYAN, POLICY AND RESEARCH MANAGER, FOOD LIFELINE

January 12, 2016

Chairman Conaway, Members of the House Committee on Agriculture:

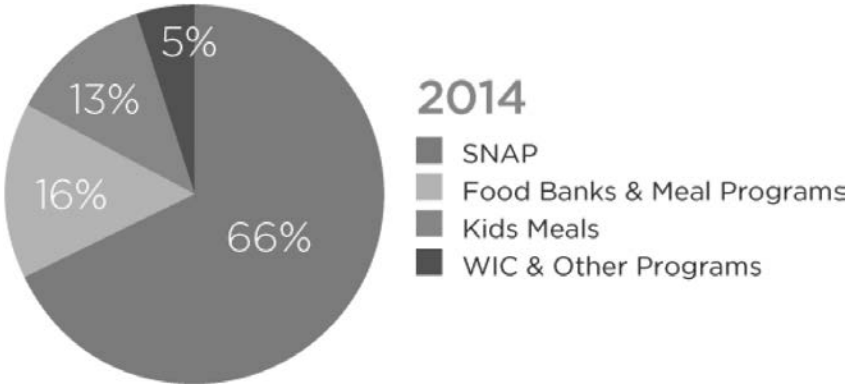
Washington State is one of our country's most abundant agricultural areas. We grow quality apples and onions that are known around the world. We also have a tremendous number of smaller farms, farmers' markets and farm stands that create opportunities for access to those healthy, fresh items.

At Food Lifeline, we focus on sourcing food from farmers, manufacturers, and grocery retailers in our state, knowing that a tremendous amount of food in our country goes to waste. Unfortunately, despite these efforts we know that in Western Washington one in seven people is hungry, and even more kids—1 in 5—are unsure where their next meal will come from sometime during the year. Each year the food pantry, meal program and shelter agencies we work with serve more than 700,000 unique individuals, many of whom also rely on programs like SNAP to get closer to making their food budget ends meet.

Of those clients we serve, we know that 17% of them are seniors. We also know that nearly 40% of the households our agencies serve have at least one person currently or previously serving in the military. In King and Snohomish Counties, where a 40% of our state's population is located those rates are 58% and 62%, respectively. For those households with either a veteran or someone currently serving, 61% rely on SNAP to help feed their family.

These groups face unique challenges, particularly in getting their food needs met. Food is one pivotal, grounding piece of a much larger puzzle that these individuals and families are trying to put together. Food should not be one of the things they should be worried about having enough of. Our shared values as Americans include taking care of those who are most vulnerable, including children and seniors, but also recognizing and taking care of our veterans who have served our country. Enough food on the table should be one of the things that should not be on their list of worries, concerns, and fears.

Meals Provided by Hunger Safety Net



The charitable food system continues to distribute record amounts of food, but we cannot close the gap alone. In western Washington, SNAP provided an estimated 66% of meals in the hunger safety net in 2014. Other Federal programs such as WIC, school and summer meals were 18%, and our vast network of agencies provided 16%. SNAP is a lynch pin in the hunger safety net, one that the rest of us do the best we can to work around and fill in the gaps.

Food Lifeline supports efforts to bolster SNAP benefits, and to increase the reach of the program as far as possible, to help as many as possible. Seniors and veterans

are a huge part of the client population we serve, and we anticipate those numbers only increasing, moving forward.

Thank you for holding a hearing on such an important topic, and we hope the Committee will take action to ensure that these key populations don't have to worry about going hungry again.

Sincerely,

KATHARINE RYAN,
Policy and Research Manager,
Food Lifeline.

SUBMITTED LETTER BY HON. ANN KIRKPATRICK, A REPRESENTATIVE IN CONGRESS FROM ARIZONA; ON BEHALF OF ANGIE B. RODGERS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF ARIZONA FOOD BANKS

January 14, 2016

Hon. ANN KIRKPATRICK,
House Agriculture Committee,
Washington, D.C.

Dear Representative Kirkpatrick:

As the Association of Arizona Food Banks representing our five member food banks feeding hungry Arizonans across the state, we are pleased to submit comments regarding the impact of food insecurity on veterans and military families. As the state with the third highest rate of food insecurity among children, we remain particularly concerned about military families with children. Thank you for hosting a Subcommittee hearing on Tuesday, January 12, 2016 to hear about SNAP and special populations.

On an average, our member food banks serve approximately 128,000 individuals each week. This includes children, seniors, disabled and working individuals, active service members and veterans. Our five members collectively serve every county in Arizona reaching households in need at 1,200 locations. We continue to see high levels of demand at our food banks and pantries and Arizona's unemployment rate remains at a stubborn 6.0% tied with Alabama and Mississippi for the 8th highest rate in the country.

In the *Hunger in America 2014: State Report for Arizona,* client surveys reported that 23% of households have someone currently serving or has formerly served in the Armed Forces, military reserve or national guard. In 2016, our members are reporting that nearly 3% of the clients they serve are active duty military. For example, the Community Food Bank of Southern Arizona in Tucson estimates they served 6,300 individuals with veteran and military services. Desert Mission Food Bank in Phoenix served an estimated 1,076 veterans and 22% of these were over the age of 65. The Yuma Community Food Bank is just 25 miles from the Yuma Proving Grounds in a community with an unemployment rate of 20%.

Many military families are too proud to access government benefits. For some, military housing subsidies may prevent them from receiving SNAP. Our servicemen and women deserve better. They are continuously focused on protecting our country and should not have to simultaneously be concerned about where their next meal is coming from. We urge you to take action to improve policies that will ensure our military and veteran neighbors and their families are well fed.

Again, thank you for your attention and please contact me if you have additional questions.

Sincerely,

Angie B. Rodgers

ANGIE B. RODGERS,
President and CEO.

SUBMITTED BRIEFING BY JACOBS & CUSHMAN SAN DIEGO FOOD BANK

Jacobs & Cushman San Diego Food Bank Legislative Briefing

SNAP Eligibility for Low-income Military Families

House Committee on Agriculture, Subcommittee on Nutrition, *SNAP and Special Populations*

About the Jacobs & Cushman San Diego Food Bank

The San Diego Food Bank distributes food directly to people in need at 168 distribution sites throughout San Diego County every month. In addition, the Food Bank provides food to more than 400 nonprofits that operate feeding programs in communities throughout the county. These nonprofit partners collect food from our 80,000′2 warehouse in Miramar and then distribute the food through food pantries, soup kitchens, shelters, low-income daycare centers, senior centers, churches, schools, and care centers for the elderly and disabled.

Serving Low-Income Military Families

Last year, the Food Bank served more than 28,000 low-income veterans, active-duty military personnel, and their dependents every month. For many low-income military families, San Diego's high cost of living makes it difficult to put nutritious food on the table. These families struggle with our region's high rent, utilities, and food prices. In addition, military spouses have an unemployment rate of nearly 30% which is due in part to frequent relocation. Nationally, 25% of the nation's total active-duty and reserve personnel receive food assistance from food pantries and charitable programs across the country. In San Diego County, the Food Bank distributed nearly 500,000 pounds of food to low-income military families last year.

The San Diego Food Bank Advocates for SNAP Eligibility for Low-Income Military Families

Food insecurity among low-income, active-duty and veteran families is a serious yet hidden problem. Roughly 95,000 active-duty military service members are stationed in San Diego County. While there are nonprofit food distributions solely for active duty and veteran families offered in San Diego and nationwide, this private assistance is not enough.

SNAP, known as CalFresh in California, is a Federal food assistance program that provides a monthly benefit for food purchases via a debit-like card to low-income households. Several factors, including household size and income, determine SNAP eligibility and benefit level. The USDA estimates that every dollar of CalFresh/SNAP expenditures generates $1.79 in economic activity.

Some military service members, particularly more junior members of the military with dependents, may qualify for SNAP. Military service members who live on base receive their housing as an in-kind payment, and this in-kind payment does not count towards their income for the purposes of determining SNAP eligibility and benefits. However, the Basic Allowance for Housing (BAH) that military households living off base receive is counted, creating a disparity between service members who live on *versus* off base. BAH appears on a service member's paystub (LES), but is not counted as income for Federal tax purposes.

From 2003–2011, California did not count BAH as income for the purposes of SNAP eligibility. However, the state was instructed by USDA that it must count BAH as income. In interviews and surveys of active duty military households coming to nonprofit food distributions, households who did apply for SNAP after enlisting typically cite their BAH as the factor that pushed them over the income eligibility line. It is unknown how many service members currently receive SNAP because military status is not required data when applying.

No military family should go hungry. The Jacobs & Cushman San Diego Food Bank advocates for the Basic Allowance for Housing to no longer be counted as income when calculating the eligibility and benefits level of military families for SNAP.

TEFAP Serves Low-Income Military Families

The Food Bank provides food assistance to low-income military families through the USDA's TEFAP (The Emergency Food Assistance Program) which serves every zip code in San Diego County—at more than 90 distribution sites every month.

Three of these distribution sites serve low-income military families in need of monthly food assistance.

On average, more than 4,100 military personnel and their dependents receive support from the Food Bank at TEFAP distributions every month in Miramar, Tierrasanta, and Oceanside.

Recent Data on Low-Income Military Families

- Military families spent $103.6 million in Food Stamps last year at commissaries.
- The unemployment rate for military spouses aged 18 to 24 is 30%.
- Frequent relocation makes it difficult for military spouses to secure employment.
- Base pay for a new soldier with a family is roughly $20,000, excluding housing and food allowances.

Pounds Distributed to Low-Income Military Families by the San Diego Food Bank

FY 2014–15

Nonprofit Military Distribution Partner	Pounds of Food Distributed 2014–2015
Brother Benno-Camp Pendleton	10,313
Embrace	975
Jewish Family Service of San Diego	18,451
Ladle Fellowship	39,156
Navy Wives Food Locker	130,658
Military Outreach Ministries	119,731
San Diego Armed Services (YMCA)	121,095
San Diego USO Airport Center	14,451
Veterans Village San Diego	15,092
Total	**469,922**

The Faces of Hunger in San Diego County

The Emergency Food Assistance Program

Families receiving food on TEFAP face short-term economic hardship. Many households, including San Diego military households, have at least one working adult but struggle to put food on the table.

TEFAP Income Guidelines 2015 **

Household size:	Max. Household Income: 150% FPL
1	$17,505
2	$23,595
3	$29,685
+	+ $6,090 per person

** This program serves households living below 130% of the FPL.

Quotes from Low-Income San Diego Military Parents

"I don't know what we'd do without the San Diego Food Bank. I would be forced to feed my children top ramen, noodle soup, rice and pasta which aren't nutritious."

EDNA MCCURDY.

"People think that military families are completely taken care of, but we are just getting by. I've found it's really difficult to get a job as a military spouse. When employers interview me, they ask why I move around all the

time. They ask, 'Why were you here for a year, and here for 2 years, and here for only 6 months?' Forget having a stable career as a military spouse."

ASHLEY PADGETT.

"I'm very proud to serve, and the San Diego Food Bank helps my family so it's one less thing I have to worry about when I am away overseas."

BRYAN WILSON.

For more information contact:

CHRIS CARTER, *Vice President of Communications,*
Jacobs & Cushman San Diego Food Bank,
ccarter@sandiegofoodbank.org |858–863–5131.

Edna's Story

On a crisp, sunny morning in the San Diego neighborhood of Tierrasanta, Edna McCurdy, a young mother of three, holds her 1 year old son as she stands in line for food assistance at the Food Bank's food distribution for low-income military families.

"I came out here today to get help from the San Diego Food Bank. We were transferred here from South Carolina a month ago, and we were shocked by the high prices. The cost of living is extremely high in San Diego. When we moved here, the Navy increased the housing allotment to cover the extra rent, but it doesn't cover food. When we moved from South Carolina to San Diego they increased our Basic Housing Allowance but they do not increase my husband's pay," explains Edna.

Edna's husband, Duane, is an EN3 Petty Officer Second Class in the Navy and works as an engine mechanic. They have three children. "My youngest is Landon. He's 1 year old. Hunter is 4 years old, and my oldest is Autumn. She's 7 and in the first grade," beams Edna as she smiles at Landon.

This is Edna's second time receiving help from the Food Bank. "The first time I came was last month because the only thing I had in the kitchen was a little bit of meat that my neighbor gave me. My husband was on deployment, and my neighbor suggested that I get help from the Food Bank, so I came and got enough food to get us through to pay day," explains Edna.

"Despite the increased cost of rent for housing and the price of food out here, my husband's pay doesn't go up, so we deal with what we're given, and the Food Bank helps us a lot. I still have car payments and my car insurance also increased when we moved out here," says Edna.

"I don't know what we'd do without the San Diego Food Bank," explains Edna. "I would be forced to feed my children top ramen, noodle soup, rice and pasta which isn't nutritious. The food from the Food Bank that we receive is nutritious, well-rounded and meets my children's dietary needs—

the meats, the whole grains, the fruits and vegetables. It all helps so much because we can't afford to buy them at the supermarket," explains Edna.

"My kids love the fresh produce and fruit that we get from the Food Bank. Back home in South Caroline we used to have a garden where we grew fresh vegetables, but you can't do that here in San Diego. I used to grow watermelon, cantaloupe, bell peppers, zucchini, squash, broccoli, potatoes and corn. My kids would help me, and it was a great activity that they loved doing. I can't do that here. There's just no room and there are rules about digging where we rent," says Edna.

"We love coming to this distribution site because we wait in the park for our number to be called, and the children get to play in the playground, and I can to meet other military moms which is great for me since we are new to San Diego."

Edna walks through the food line and she receives tomatoes, asparagus, bell peppers, zucchini, apples, oranges, canned soup, canned meats, canned vegetables, cereal, fruit juice, bread, oatmeal, and rice. As she receives the food, Edna explains how much the assistance helps her family.

"The donations help us out a lot, especially with a family of five living on a limited budget. The Food Bank truly is a blessing for us. We are thankful for all of the donations," says Edna as she puts the last bag of groceries in her car.

SUBMITTED STATEMENT BY KRISTEN ASTER, MANAGER, HUNGER ADVOCACY NETWORK

Thank you to the Members of the Committee for the opportunity to submit the following written statement for this important hearing on special populations and the Supplemental Nutrition Assistance (SNAP) program.

The Hunger Advocacy Network (HAN) is a collaborative of organizations, including human service agencies, food banks, and advocacy organizations, working to address hunger in San Diego County through policy change. Launched in 2012, HAN seeks to empower San Diego organizations to make a long-term, systemic impact on hunger policy in addition to the critical community assistance they provide on a daily basis. HAN has been working on the issue of military hunger since nearly the collaborative's inception.

According to the San Diego Military Advisory Council, as of 2013 over 100,000 members of the Navy and the Marine Corps are stationed in San Diego County. Both of San Diego County's food banks report serving a significant number of these military personnel and their families. The Jacobs and Cushman San Diego Food Bank estimates that their distribution network serves 28,000 active duty military and their dependents every month. Feeding America San Diego estimates that roughly 27% of the 143,900 households (encompassing 473,500 people) they serve annually include a member who has ever served in the military, and that 10% of all households receiving food assistance include someone currently serving in the military. Together, they supply food to at least eleven distributions every month that are focused on active duty military families. Some of these distributions occur on base at Camp Pendleton, and others occur at military housing sites, schools with high enrollment of military families, and elsewhere around the County.

Concerned with the prevalence of military families seeking emergency food assistance, the Hunger Advocacy Network, with its member and partner organizations, began researching why so many military families were seeking emergency food assistance in San Diego County. The theme that repeatedly emerged was that many of these military families had applied for, but not received, Federal Supplemental Nutrition Assistance Program (SNAP) food assistance. The primary reason cited for their ineligibility was the treatment of their Basic Allowance for Housing (BAH). An additional recent survey of military families coming to one San Diego military food assistance provider found that roughly 20% of recipients had applied for SNAP, but that none were receiving it; nearly all reported the housing allowance as the factor preventing their enrollment in the program. Meanwhile, nearly 13% of survey recipients reported that in the last 12 months, there were times when they did not eat for an entire day because of a lack of money for food. This is not acceptable.

Current law provides for military service members to be housed on base and for a Basic Allowance for Housing (BAH) to be provided to members for whom base housing is not available or who live in "military privatized housing." As the military has modernized, the Department of Defense's policy is to rely on the private sector for its housing rather than to build and maintain government owned base housing, and roughly 63% of military families live in housing paid for by the housing allowance. The BAH is based on geographic duty location, pay grade, and dependency status. BAH is meant to provide service members adequate and equitable housing compensation based on housing costs in local civilian markets.

Military service members who live on base receive their housing as an in-kind payment, and this in-kind payment does not count towards their income for the purposes of determining SNAP eligibility and benefits. However, the BAH that military households living off base receive is counted, creating a disparity between service members who live on *vs.* off base. BAH can also can negatively impact the child of a military service member from accessing the National School Lunch Program and the National School Breakfast Program. BAH appears on a service member's paystub (LES), but is not counted as income for Federal tax purposes. States also have the option not to count BAH as income for eligibility for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

From 2003–2011, California did not count BAH as income for the purposes of SNAP eligibility. However, the state was instructed by the United States Department of Agriculture (USDA) that it must count BAH as income. It is unknown how many service members currently receive SNAP across the state or how many were affected by this change because military status is not required data when applying for the program. Similarly, estimates on military SNAP participation nationally vary widely, ranging between 2,000 and 22,000 military service members in FY 2012. It has been reported, though, that there are food pantries operating on or near every single Naval and Marine base in the United States.

The needs of military families in San Diego prompted California State Senator Ben Hueso to introduce the No Hunger for Heroes Act in 2013 (S.B. 134), which sought to remove barriers for active duty military and veterans to access SNAP. For active duty military, it would have required the state of California to apply for a Federal waiver from the USDA to exclude BAH as income when determining SNAP eligibility. Subsequent inquiries with the state agency that administers the SNAP program in California, the California Department of Social Services (CDSS), regarding an application for such a Federal waiver came to the conclusion that any change to the treatment of the BAH for SNAP eligibility and benefits must be accomplished through Federal legislation.

Subsequently, in 2015, U.S. Representative Juan Vargas (D–51) sought to address the disparity between the treatment of on *versus* off base military housing for all taxation, nutrition, and public assistance purposes via a proposed amendment to the Federal Fiscal Year 2016 (FY16) National Defense Authorization Act (NDAA). In the Senate, a bipartisan group of Senators led by Senator Boxer (D–CA) and Senator Murkowski (R–AK) introduced an amendment to the FY16 NDAA that sought to exclude housing allowances as income when determining eligibility for SNAP, the Family Subsistence Supplemental Allowance (FSSA) program, and other Federal nutrition program. The Hunger Advocacy Network strongly supported both of these proposals. While these amendments were not ultimately incorporated into the FY16 NDAA, they were important recognitions by Members of Congress for the need to address these disparities within our military, and the needs of our nation's military families.

However, Congress did sunset the domestic FSSA program in the FY16 NDAA following recommendations made by the Military Compensation and Retirement Modernization Commission (MCRMC). In light of extremely low participation in the FSSA program, only 285 service members in FY13, the Commission recommended an end to this program in favor of military enrollment in SNAP, saying "[t]his program [FSSA] is duplicative with the Federal Supplemental Nutrition Assistance Program (SNAP), which provides a more effective benefit for service members." The Commission additionally noted that the SNAP program "is more generous and creates fewer potential social stigmas for recipient families" than the FSSA program, in part because a service member may be required to go through their local financial counselors and chain of command to enroll in the FSSA program. Now that military families have no other recourse for structural food assistance than the SNAP program, Congress must ensure that military families can meaningfully access the SNAP program.

In addition, the House Armed Services Committee commissioned a Government Accountability Office (GAO) report into the state of military food insecurity and access to assistance. We are optimistic that this report will bolster limited existing data about the needs of our military families nationwide and provide meaningful recommended actions that Congress can take to address military hunger.

No one in America should go hungry, and especially not the brave men and women and their families that already sacrifice so much in service of our country. We ask that Congress support common sense, bipartisan proposals to end the treatment of military Basic Allowance for Housing as income when determining eligibility and benefits for Federal food assistance programs. Thank you again for your attention to this important issue.

SUBMITTED LETTER BY RODNEY BIVENS, EXECUTIVE DIRECTOR, REGIONAL FOOD BANK OF OKLAHOMA; EILEEN BRADSHAW, EXECUTIVE DIRECTOR, COMMUNITY FOOD BANK OF EASTERN OKLAHOMA

January 15, 2016

Hon. K. MICHAEL CONAWAY, *Chairman,*
House Committee on Agriculture,
Washington, D.C.

Hon. Frank D. Lucas,
House Committee on Agriculture,
Washington, D.C.

Re: Comments for Record: House Committee on Agriculture Hearing on Military and Veteran Food Insecurity (January 12, 2016)

Chairman Conaway:

The Community Food Bank of Eastern Oklahoma and the Regional Food Bank of Oklahoma appreciate your efforts to address the important issue of food insecurity among military service members and veterans. Holding this hearing is an important step forward in acknowledging that our nation's heroes are not immune to hunger.

According to a study published in 2015, more than one in four Iraq and Afghanistan veterans reported being food-insecure in the past year.[1] A separate 2015 study by the Yale University School of Medicine found that 24 percent of veterans who have accessed care through the Veterans Health Administration (VA) reported being food-insecure, and that being food-insecure was associated with diminished management of hypertension, diabetes, HIV, and depression.[2] With more than 300,000 veterans in Oklahoma, 50,000 of whom are homeless, we are deeply concerned that these numbers indicate tens of thousands of our state's former service members are struggling with hunger.[3]

Data for food insecurity among active-duty service members is scarce, as this is not something that is tracked nor even acknowledged to exist by the Department of Defense. However, Feeding America's "Hunger in America 2014" report provided rates of food insecurity among military personnel for the first time. According to that report, 20 percent of Feeding America client households reported having at least one member who has served in the U.S. military, and four percent of households contain at least one member who is currently serving.[4]

The Community Food Bank of Eastern Oklahoma's Mobile Eatery serves hot meals to 25–30 military veterans each week. While it is an honor to serve these individuals, it is disheartening to see them anxiously await their meal knowing that excitement may be an indication of their struggle with food insecurity. We know there are many more veterans who would benefit from this program, and because of the demonstrated need, the Mobile Eatery program will be expanded to two additional locations in early 2016. It is vital that we have accurate data on food insecurity among veterans in Oklahoma so we can efficiently plan to meet the needs of this important population.

In light of our increasing awareness of hunger among the military and veteran population, the Oklahoma Food Banks make the following recommendations:

Prioritize data collection on military and veteran food insecurity:

This can be accomplished by continuing to formally acknowledge the existence of the problem through hearings in the U.S. House of Representatives and the U.S. Senate. Individual Representatives adding the issue to their policy priorities would thus encourage continued research and data collection by academic institutions and perhaps eventually by the Department of Defense. If even one military family goes without adequate food, we are failing to fulfill our responsibilities as a nation.

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[1] Widome R., Jensen A., Bangerter A., Fu S. (2015). *Food insecurity among veterans of the U.S. wars in Iraq and Afghanistan.* PUBLIC HEALTH NUTRITION, 18, pp. 844–849. doi:10.1017/S136898001400072X.

[2] Wang E.A., McGinnis K.A., Goulet J., Bryant K., Gibert C., Leaf D.A., Mattocks K., Fiellin L.E., Vogenthaler N., Justice A.C., Fiellin D.A., Veterans Aging Cohort Study Project Team (2015). *Food insecurity and health: data from the Veterans Aging Cohort Study.* PUBLIC HEALTH REPORTS, 130(3): 261–268.

[3] United States Census Bureau (2014). *American Community Survey 5-year estimates. http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF.*

[4] Feeding America (2014). *Hunger in America Report. http://www.feedingamerica.org/hunger-in-america/our-research/hunger-in-america/.*

Track military and veteran participation in Federal safety net programs:

Federal programs including the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Women Infants and Children (WIC) are critical to keeping millions of people nationwide out of poverty. SNAP benefits lifted at least 4.7 million people out of poverty in 2014, including 2.1 million children.[5] These safety net programs also play a critical role in the lives of our military and veteran families. Comprehensive data demonstrating their enrollment and participation would serve not only to illuminate the issue of food insecurity among this population, but also as compelling evidence for the case that Federal safety net programs should remain the cornerstone of national efforts to end hunger.

Exclude Basic Allowance for Housing (BAH) as countable income in SNAP determination:

There is an egregious inequity in Federal law that precludes some active duty military families from qualifying for SNAP benefits because their Basic Allowance for Housing (BAH) benefits are counted as income in the determination of SNAP eligibility. We recommend a simple resolution of this problem: *excluding BAH benefits as countable income in the SNAP determination process.* This would eliminate the disparity that exists in the current way that SNAP eligibility is determined for military and civilian populations receiving Federal housing benefits.[6]

The Oklahoma Food Banks are deeply concerned about food insecurity among military and veterans. Due to our statewide service area, we have the ability to make meaningful differences in the lives of Oklahoma's veterans and military service members, but we cannot do it alone. We encourage the Committee to take immediate action on the issue, and offer our sincerest appreciation for holding this hearing.

Sincerely,

RODNEY BIVENS, *Executive Director,*
Regional Food Bank of Oklahoma;

EILEEN BRADSHAW, *Executive Director,*
Community Food Bank of Eastern Oklahoma.

SUBMITTED LETTER BY GINA CORINA, EXECUTIVE DIRECTOR, UTAHNS AGAINST HUNGER

January 15, 2016

Hon. JACKIE WALORSKI,
Chairwoman,
Subcommittee on Nutrition,
House Committee on Agriculture,
Washington, D.C.

Dear Chairwoman Walorski,

Utahns Against Hunger (UAH) watched with interest the January 12, 2016 public hearing: *Past, Present, and Future of SNAP: Addressing Special Populations.* As an organization we are concerned about access to SNAP, and how that access impacts all populations. We are especially interested in making sure that active duty military families and veterans in need have access to this important nutrition program.

As UAH has learned about the access barriers many military families and veterans have to SNAP, we have become increasingly concerned about this issue, and

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[5] White House (2015). *Long Term Benefits of the Supplemental Nutrition Assistance Program. https://www.whitehouse.gov/sites/whitehouse.gov/files/documents/SNAP_report_final_non embargo.pdf.*

[6] MAZON (2015). *Help our Heroes. http://mazon.org/our-response/our-initiatives/help-our-heroes/.*

we join with MAZON: A Jewish Response to Hunger and urge Congress to act swiftly to address this urgent problem.

The National Commission on Hunger (NCH) recently released their report and recommendations on how we can reduce and eliminate hunger in our country. These recommendations outline where Congress and the United State[s] Department of Agriculture should start to move forward to address the issue of hunger for active duty military families and veterans.

UAH urges your Committee to do everything in your jurisdiction and power to act on the following recommendations from the NCH report:

1. *Congress should enact legislation to exclude the Basic Allowance for Housing as income for the determination of SNAP eligibility and benefit levels for families who have an active duty service member.*
2. *Congress should direct the Department of Defense to undertake a comprehensive review of the Family Subsistence Supplemental Allowance program and recommend reforms that are directed at improving food security in active duty military families.*
3. *In keeping with our country's priority of national security, the USDA should work jointly with the Department of Defense and the Department of Veterans Affairs to help with collecting data on food security, its causes and consequences, and SNAP participation among active duty military and veterans, and make this data available to Congress, the President, and to the public at regularly specified intervals.*

We are failing as a nation if we are not providing for those who have and those who are serving and protecting our country.

Warm Regards,

GINA CORINA,
Executive Director.

SUBMITTED LETTER BY CRISTIN ORR SHIFFER, SENIOR ADVISOR FOR POLICY AND SURVEY, BLUE STAR FAMILIES

January 13, 2016

Hon. JACKIE WALORSKI,
Chairwoman,
Subcommittee on Nutrition,
House Committee on Agriculture,
Washington, D.C.

Re: SNAP and U.S. Military Families

Dear Chairwoman Walorski, Ranking Member McGovern, and Members of the Subcommittee,

On behalf of Blue Star Families (BSF), the nation's largest chapter-based military family nonprofit organization, thank you for holding a hearing on the very important topic of "Past, Present, and Future of SNAP: Addressing Special Populations." Financial readiness, including food security, is essential to overall military readiness and effectiveness. Further, it plays a role in attracting and retaining the best talent to assure the health of the All-Volunteer Force, and studies show financial and employment stressors to be one of the most prevalent stressors related to service member suicide. In a nutshell, military family food security is a national security issue.

Results from our recently released 2015 Annual Military Family Lifestyle Survey (AMFLS), as Ms. Leibman of MAZON included in her testimony, include the concerning findings that 7% of active duty (and their spouse) respondents have experienced food insecurity within the past year and 6% have sought food assistance through a food bank, food pantry or charitable organization in the past year.

As the Senior Advisor for Policy and Survey at Blue Star Families, I am also writing to express our support for a number of the recommendations presented during the aforementioned hearing and discussed below. Military couples and families face many of the same financial challenges as civilian families; however additional results from our survey indicate that respondents report every day financial tasks are more complex and challenging due to the unique and uncertain challenges of the military lifestyle. The financial stresses associated with military service—for exam-

ple frequent moves, substantial challenges to military spouse employment, current Basic Allowance for Subsistence policies, and the lack of uniform state policies regarding qualification for assistance—may make it additionally difficult for military families to qualify for and obtain needed assistance.

In addition to supporting MAZON's recommendations of improving agency collaboration and strengthening the Supplemental Nutrition Assistance Program (SNAP) for our veterans, I express deep concerns regarding the inconsistency associated with access to SNAP for our currently serving military. BSF supports efforts to remove a military service member's Basic Allowance for Housing (BAH) from SNAP eligibility determinations to remain consistent with requirements of the other Federal nutrition assistance programs such as Women, Infants, & Children (WIC). Our survey results support Ms. Tebbens' testimony stating BAH often portrays the appearance of economic stability, in her words being "stable on paper only." Seventy-eight percent of our currently serving respondents reported they are paying some out of pocket costs beyond BAH for housing, with 22% reporting paying $400 or more per month. Finally, BSF supports Ms. Leibman's testimony that qualifying for SNAP and becoming food-secure are not one in the same, and strongly support the need for additional data like our annual survey to identify solutions to end food insecurity in the military.

Military troops and their families are committed to the service of our country. Ninety-four percent of survey respondents indicate desire to serve their country was a top reason for joining the military and 85%, indicated that financial stability was part of their motivation to serve as well. Service members and their families should not have to choose between service and financial security. They deserve the reassurance of knowing that our government understands the structural challenges associated with military life and if they should face inadequate access to food, confidential assistance outside of their military chain of command via SNAP and other programs are available for them.

During this already uncertain time, when operational tempos are increasing while pay and benefits appear to be decreasing, access to an adequate supply of healthy food should not be adding to the challenges of service.

Blue Star Families thanks you for your work on this important topic and for the opportunity to provide additional information to the official record. If I may be of further assistance please don't hesitate to reach out. Our complete Blue Star Families Military Family Lifestyle Survey results are accessible at *www.bluestarfam.org/survey*.

Sincerely,

CRISTIN ORR SHIFFER,
Senior Advisor for Policy and Survey,
Blue Star Families.

SUBMITTED LETTER BY KAREN WOODINGS, ADVOCACY MANAGER, CENTRAL PENNSYLVANIA FOOD BANK

January 18, 2016

Hon. K. MICHAEL CONAWAY,
Chairman,
House Agriculture Committee,
Washington, D.C.

RE: Challenges in Serving Vulnerable Populations

Dear Chairman Conaway:

It was my great honor to have the opportunity to meet and address you, as well as our Pennsylvania Congressional delegation on Saturday, January 9, at the Pennsylvania Farm Show listening session. I am writing this letter to you on behalf of the Central Pennsylvania Food Bank and the individuals the Food Bank serves throughout Central Pennsylvania.

The Central Pennsylvania Food Bank began operation in 1981 and is a 501(c)(3) nonprofit organization registered as tax-exempt with the IRS. We are the largest nonprofit food distribution organization in the region, and are one of the top food banks in the nation for operational performance. The Food Bank is affiliated with Feeding America, the nation's largest nonprofit hunger fighting organization which solicits and facilitates donations of product at a national level.

The Food Bank's mission is "*Fighting hunger, improving lives, and strengthening communities.*" We believe that service to others is fundamental to creating a hunger-free America. We operate with an acute sense of urgency that reflects the immediate

needs of hungry people. We keep faith with the public trust through the efficient and compassionate use of resources entrusted to us and are mindful that our mission is accomplished through the generosity of others.

The Central Pennsylvania Food Bank core service, known as the Food Security Network, which involves the solicitation, procurement, processing and distribution of food throughout a 27 county service area that covers over 18,000 miles[2] in Pennsylvania. In FY 2014–2015, the Food Bank distributed 40 million pounds of food, an increase of 24% over the previous year. We currently serve approximately 60,000 people weekly. In addition the Food Bank is committed to providing healthy food options and now more than 20% of our food distribution is comprised of fresh fruits, vegetables, dairy, and fresh milk.

Feeding America and its nationwide network of more than 200 regional food banks, including the Central Pennsylvania Food Bank, recently conducted *Hunger in America 2014* (HIA 2014), the latest in a series of quadrennial studies that provide comprehensive demographic profiles of people seeking food assistance. The study shows that the image of hunger in America is considerably different than it has been in the past and the individuals and families who rely on food pantries, soup kitchens and other programs to survive characterize an increasingly large and complex group due to the ever changing economic climate.

Central Pennsylvania Food Bank was concerned by the results from HIA 2014. Knowing the anecdotal stories of the over 453,000 people we serve is significantly different than analyzing statistics about their lives. The Food Bank learned that individuals receiving food assistance must make serious, quality of life trade-offs between paying for food and paying for other necessities, such as rent, transportation, and medicine.

- 70% report having to choose between paying for food and paying for medicine or medical care at least once in the last 12 months.
- 70% of households chose between paying for food and paying for utilities.
- 59% of households chose between paying for food and paying for transportation.
- More than 30% of households face these choices every month.

Of the 55,800 households surveyed for HIA 2014, 26% have at least one family member who has served or is actively serving in the United States military. Our military families and veterans can be a challenging population to serve because families are difficult to identify because they are frequently too proud to seek help through Federal nutrition programs.

The reasons for food insecurity can involve numerous factors including: low pay for enlisted troops, high unemployment rates for spouses, low wage or retirement for veterans, higher cost of living near urban centers, veterans living with disabilities, Congressional limits on pay raises, unemployment or underemployment, and stigma of using Supplemental Nutrition Assistance Program (SNAP) benefits.

While the military currently offers the Family Subsistence Supplemental Allowance (FSSA) for low-income families, it has a low participation rate. Food pantries afford greater anonymity to active military families. Many military families do not want their commander to find out they can't afford to feed their spouses and children. For many families, tax-free allowances for housing, clothing, and food are not adequate for maintaining household sustainability because these families still have the cost of rent, utilities, medicine, and additional food items the family needs to survive. It is also worth noting that the FSSA is due to sunset at the end of FFY 2016. This will cause greater numbers of military families to seek assistance with the Food Security Network.

The Central Pennsylvania Food Bank answer was to create our MilitaryShare Program. MilitaryShare is a means to provide access to fresh and nutritious food items to military households in our 27 county service area. The Food Bank partners with Pennsylvania's state and regional Family Readiness Coordinators to institute this program that distributes fresh food items directly to food-insecure military households who are struggling with hunger. By bringing this wholesome food directly to our military households, the MilitaryShare program directly helps combat the issue of scant financial resources that makes it difficult for low-income military households to access the adequate nutrition they need by providing a monthly food distribution, at no cost.

The other vulnerable population I would like to address is senior citizens. Pennsylvania has a disproportionately large number of senior citizens. According to HIA 2014, 18.5% of the people served through Pennsylvania's Charitable Food Network are in individuals over the age of 60. In Pennsylvania, over two million seniors are 65 years of age or older and 169,499 seniors are living in poverty. Since 2001, there

has been over an 85% level of growth in national senior hunger, most pronounced among Baby Boomers (*i.e.,* the "young old," ages 60 to 69).

Central Pennsylvania Food Bank understands that the SNAP will help. Three out of five seniors who qualify for SNAP benefits, however, do not participate. Older Americans who qualify for SNAP are significantly less likely to participate in the program than other low-income demographic groups. Several factors contribute to the low participation rate including seniors face barriers related to mobility, technology, and societal stigma. Many seniors are discouraged to apply for SNAP benefits because of widespread myths about how the program works and who can qualify to receive benefits.

The health consequences for hungry seniors are very disheartening. National studies state that seniors who are at risk for hunger are more likely to have mobility and activity limitations, as well as a decrease in their overall health. Poor nutrition impedes a senior's ability to effectively recover from illness, limits intake of essential vitamins, reduces efficacy of prescription drugs, exacerbates problems from pre-existing health conditions such as heart failure, diabetes, and depression, and increases hospital stays, which can put undue strain on the community.

In 2005, the Central Pennsylvania Food Bank began our ElderShare Program to meet the growing need to feed hungry seniors. The ElderShare program was solely grant funded and was designed to augment the Commodity Supplemental Food Program (CSFP). In 2009, CSFP caseload was allocated to the Food Bank to serve 350+ seniors. As funding grew, so did our caseload. Central Pennsylvania Food Bank currently serves over 5,350 seniors through CSFP funding and an additional 750–1,000 seniors a month through our privately-funded ElderShare Program. The Food Bank continues the privately-funded program to ensure no senior is hungry by serving those individuals on the "waiting list" for a CSFP opening.

As Members of Congress, you can do much to decrease food insecurity for our veterans, active military families, and seniors. For active duty low-income enlisted military personnel, the Basic Housing Allowance (BHA) for housing is excluded as income in calculating income taxes and eligibility for some Federal programs, such as WIC and Head Start, but not all. The Central Pennsylvania Food Bank urges you to update eligibility guidelines to exclude BHA as income for all Federal nutrition programs. When SNAP considers BHA as income, this puts food-insecure military families at a great disadvantage and disqualifies many from received food assistance. This is driving more and more families to use the Food Bank's Food Security Network.

For seniors, simplify and improve the application process. This truly is a barrier for seniors to access SNAP benefits. Continue categorical eligibility, it improves access for all low-income Americans. Invest in community based initiatives to assist seniors and veterans in better managing chronic conditions through better nutrition.

The Central Pennsylvania Food Bank urges you to resist from making any further cuts to SNAP benefits. SNAP helps the poorest Americans have access to nutritious food. SNAP took 2.4 million children out of severe poverty in 2005 and reduces the likelihood of being food-insecure for all populations. SNAP also helps to drive local economies. For each SNAP dollar spent, that dollar generates $1.79 in economic activity. This translates to increased farm production, new jobs, as well as enhanced self-sufficiency for those in need of food assistance.

Challenging or difficult to serve populations implies that the needs of some people may be beyond the scope of services that are typically available. We **Must** make every effort to connect vulnerable populations with the Federal nutrition programs where they qualify to receive benefits. It is essential that Congress ensures that people who are food-insecure and are difficult to serve are not forced to choose between food and other basic necessities.

Thank you for your time and consideration.

Sincerely,

KAREN WOODINGS,
Advocacy Manager.

Cc:

Congressman GLENN THOMPSON,
JOSH PROTAS, MAZON,
LISA DAVIS, Feeding America.

SUBMITTED STATEMENT BY HON. SUSAN ZIMET, EXECUTIVE DIRECTOR, HUNGER ACTION NETWORK OF NEW YORK STATE

Testimony to House Agriculture Committee on Military & Veteran Food Insecurity

On behalf of the many anti-hunger groups, we thank you for holding hearings on the growing crisis of hunger and the military.

For over a decade I have had the honor of serving my constituents as an elected Town Supervisor and County Legislator. In that role I have had the opportunity to work with veterans on many issues.

What is apparent when speaking with veterans is the pride they have in serving their country, their love for the country and their extreme disappointment in the difficulties they face when forced to ask for help.

"It is pure embarrassment. I hate it. I don't like it. It's like taking away the pride you have and making you humble. You have to go [to the food pantry] and I hate to say it but it makes you feel like you are begging for food." Stated Mike Hernandez, a Navy veteran with a wife and three daughters. "If you look at my [military] record, it's immaculate. And look at how bad I struggle. Why can't there be some type of program to help us out? We didn't do anything wrong. We come out of the military, next thing you know, we're left to fend for ourselves and you just can't make it."

Shirley Starkey, whose husband is a sergeant in the Marines and has been twice deployed to Afghanistan said "It's hard to know that my husband is fighting for his country and he's working long days and long hours and we still have to struggle to keep food on the table and gas in our car."

I am new to the field of hunger, having assumed the role of Executive Director for Hunger Action Network of NYS last year, and the unprecedented hunger in America was shocking to me. But the growing impact of hunger amongst those who are serving or who served our country, was a real eye opener:

- *620,000 households that include at least one soldier, reservist or guardsman—or 25% of the nation's total active duty & reserve are seeking aid from food pantries or charity program.*
- *130, 000 veterans are homeless or hungry on any given night.*
- *1.5 million veterans are at risk of becoming homeless and going hungry.*
- *Food stamp purchases at military commissaries have nearly tripled during the last 4 years between 2008–2011.*
- *According to Food Bank of NYC, 40% of NYC vets rely on food pantries & soup kitchens.*

Hunger Solutions NY reaches out to military and veteran's families to assist them in accessing SNAP benefits. In the first 2 years of providing the services, Hunger Solutions assisted more than 4.000 military & veteran's families in New York State.

Long Island Cares, the Harry Chapin Food Bank, understands the challenges faced by returning soldiers and their families as "troops transition from the front lines to the home front." The organization offers several veteran service programs, two specific to hunger:

Military Appreciation Tuesdays: Hosted each week at three Long Island Cares pantries, veterans and their families can access food, personal care items, household products, pet food and school supplies.

Mobile Pantry: Delivers nutritious groceries to homebound, disabled veterans unable to access their local pantries. Long Island Cares Veterans Mobile Outreach Unit provided over 23,000 pounds of food & over 17,000 meals to veterans in 2015 alone.

Each Tuesday, they have between 150–200 veterans who come to the satellite locations to access emergency food and household supplies to veterans and their families as well as information and referral services from other nonprofits serving veterans.

"The numbers of veterans needing the services of the food pantry keeps growing, with 1–2 new veterans coming through the doors of the pantry every month," stated Michael Haynes, Chief Government Affairs Officer for L.I. Cares. "We are so happy we can help, but it is so sad that these brave men and women who sacrificed themselves to preserve our freedoms are in need of this help."

Hunger Action Network of New York State testified in Albany, New York at the U.S. Hunger Commission hearings. Families of active duty service members and veterans should not have to struggle to put food on the table.

We were delighted to learn that the U.S. Hunger Commission adopted the recommendations presented by MAZON.

1. Congress should enact legislation to exclude the Basic Allowance for Housing as income for the determination of SNAP eligibility and benefit levels for families who have an active duty service member.
2. Congress should direct the Department of Defense to undertake a comprehensive review of the Family Subsistence Supplemental Allowance program and recommend reforms that are directed at improving food security in active duty military families.
3. USDA should work jointly with the Department of Defense and the Department of Veterans Affairs to help with collecting data on food security, its causes and consequences, and SNAP participation among active duty military and veterans, and make this data available to Congress, the President, and to the public at regularly.

Veterans have served and sacrificed their family's stability on our behalf. Too many veterans are hungry and homeless. It is the obligation of our Country to give back to this brave men and women and ensure they live in dignity with food on the table and a roof over their head.

Hunger Action Network of NYS stands ready to help in any way to ensure the needs of our military families are being addressed.

Thank you so much for your time and attention to this issue.

Hon. SUSAN ZIMET,
Executive Director,
Hunger Action Network of New York State.

Submitted on January 15, 2016 to:

Congressman CHRIS GIBSON,
Congressman SEAN PATRICK MALONEY,
LISA SHELTON, House Agriculture Committee,
Senator KRISTEN GILLIBRAND,
Senator CHUCK SCHUMER.

SUBMITTED LETTERS BY LOAVES AND FISHES, ST. STEPHEN AND THE INCARNATION EPISCOPAL CHURCH

DAVID CHAMBERLIN, U.S. ARMY VETERAN

January 14, 2016

Dear Representative:

I am David Chamberlain and I was stationed with the Army in Missouri, Massachusetts and Central America in the mid-1980's. When I left the Army I suffered from depression and received some disability and Social Security. When times were really tight I had to use the food shelf and now I come and dine with Loaves and Fishes for meals.

I support anything that can be done to help vets with food options like SNAP, food shelves and meals.

Sincerely,

David Chamberlin

DAVID CHAMBERLIN.

DUANE A. MEIER, U.S. ARMY KOREAN WAR VETERAN

1/14/16

To my elected officials:

My name is Duane Meier and I was in the U.S. Army. I served for 18 months in the Korean War and was deployed to Korea. After the war I moved back to Minnesota where I met my wife and found a job hauling garbage and later driving semi oil tankers.

We never used food shelves or food stamps but I do go to a meal program every night that they are open for a hot meal. I am 90 years old and get Social Security and VA Assistance. I believe that all U.S. Veterans should be helped with food and ask that you supp01i bills that help them get what they need.

Duane A Meier

DUANE A. MEIER.

SUBMITTED STATEMENT BY FOOD BANK OF ALASKA

Our Military and Veterans Should Never Struggle To Put Food on the Table

The Food Bank of Alaska has a strong commitment to addressing military and veteran hunger. Alaska is home to many military bases, and has the highest number of veterans per capita of any state. We know from our extensive *2014 Hunger in America—Alaska Report* that 23% of families served by the statewide Food Bank of Alaska network have at least one veteran in the household. This means that nearly ¼ of all families visiting our food pantries, soup kitchens and meal programs have a former serviceman or woman in the home. What's more, we know that many of our active duty military families are also turning to the charitable food sector for help. Statewide, 3% of families we are helping with food assistance are active duty military. In Anchorage, with its large military population, this figure is closer to 6%. While our pantry partners do not track the number of active duty military that visit their distributions, many have anecdotally reported an increase in the number of in-uniform active duty military they see. The Armed Services YMCA pantry on the Joint Base Elmendorf-Richardson serves an average of 70 families each month.

Helen's story, and her testimony, provides examples of the challenges that military members and veterans face when they try to put food on the table. Helen and her husband are both veterans. Middle aged, they both have had full careers, but fell on hard times recently and moved back to Alaska in search of work. Not having any luck finding a job, they tried to apply for SNAP benefits, only to find out that they were $20 over the income limit, due to Helen's VA Benefits. So instead, they rely on food pantries to help get them through the month. "Never in a million years would I think I would use food assistance," said Helen. The first time we went to a pantry, my husband wouldn't get out of the truck. He just said "I'm so ashamed."

Helen says she believes in "paying it forward," and has helped a number of active-duty military families connect with local food pantries. Helen explains that they need the help, but don't want to sign up for SNAP for fear of repercussions. There is often a heavy stigma associated with receiving benefits for members of the military.

Though times are tough for Helen and her husband, she is starting school soon to finish her bachelor's degree in business, with help from the VOC-Rehab Program. Ever the optimist, she explains, "this isn't who we are, this is a situation." *One that hopefully doesn't exist for her fellow servicemen and women in the future.*

The Supplemental Nutrition Assistance Program (SNAP) is a powerful tool in the fight against hunger. Unfortunately, as Helen explained, stigma keeps many military families from pursuing this option, and for those lower enlisted members who do try, many find that they miss the cut off for SNAP by a few hundred dollars. While the military has a nutrition program similar to SNAP—the Family Subsistence Supplemental Allowance (FSSA)—it is underutilized and is slated to be sunsetted domestically at the end of 2016. Veterans typically have low enrollment in the SNAP program, and some veterans who receive benefits are at risk of losing them, due to new Able-Bodied Adults Without Dependents (ABAWDs) work requirements. To address the issue of hunger among active-duty military and veterans, we believe Congress should:

1. Remove policy barriers that deny active duty military families the nutrition assistance resources they need, including SNAP. *Please consider legislation to exclude the Basic Housing Allowance (BAH) as income in determining eligibility for SNAP.*
2. Gather and make available more data to accurately document food insecurity levels among active-duty military and veterans. *Congressional briefings and the upcoming GAO study are great starts to these efforts; they should continue and reach farther.*
3. Urge agency collaboration to ensure disabled and struggling veterans are better able to access food benefits through SNAP and other available programs.

We are happy that the critical issue of food insecurity among our veterans and active duty military has been getting some of the attention that it deserves. We believe that one of the best ways to show respect and care for the men and women who have served and sacrificed for our country is to ensure they have the basic resources to support their families. Our military deserves better than having to face hunger.

Food Bank of Alaska collected and distributed 6.8 million pounds of food in 2015 through 300 partner food pantries and meal programs statewide and advocates for policies to end hunger. For more information, visit ***www.foodbankofalaska.org****.*

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(THE PAST, PRESENT, AND FUTURE OF SNAP: EXAMINING STATE OPTIONS)

WEDNESDAY, MARCH 2, 2016

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 10:00 a.m., in Room 1300 of the Longworth House Office Building, Hon. K. Michael Conaway [Chairman of the Committee] presiding.

Members present: Representatives Conaway, Goodlatte, Lucas, King, Thompson, Gibbs, Crawford, Benishek, LaMalfa, Davis, Yoho, Walorski, Allen, Rouzer, Newhouse, Kelly, Peterson, David Scott of Georgia, Costa, Walz, Fudge, McGovern, Lujan Grisham, Kuster, Nolan, Bustos, Maloney, Kirkpatrick, Aguilar, Plaskett, Adams, Graham, and Ashford.

Staff present: Caleb Crosswhite, Jadi Chapman, Mary Nowak, Paul Balzano, Scott C. Graves, Stephanie Addison, Lisa Shelton, Liz Friedlander, Matthew MacKenzie, Nicole Scott, and Carly Reedholm.

OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

The CHAIRMAN. This hearing of the Committee on Agriculture, *Past, Present and Future of SNAP: Examining State Options,* will come to order. I have asked Rick Allen to say a brief prayer for us. Rick?

Mr. ALLEN. Let us pray. Father, we are grateful for our time here this morning. Lord, let us be mindful of your many blessings as we hear from these folks today that are going to give us the information we need to make wise decisions. Lord, we do pray that you give us the wisdom and the influence to make the right decisions, and to do what is right for this country. We pray for this country. We thank you for this body. We thank you for agriculture, and blessing this land. In His name we pray, amen.

The CHAIRMAN. Well, I want to welcome our witnesses to today's hearing, and thank them for being here to continue our review of the past, present, and future of SNAP. This is our 12th hearing within this series. We have learned a tremendous amount about the complexities of SNAP, and even more about the diverse individuals and communities that it serves. As we continue our review, we will do so without preconceived notions, and with a commitment to

strengthen the program so that it can best serve families, most efficiently utilize taxpayer dollars, and empower states to effectively implement the program, while protecting program integrity. Today our witnesses will help us get a better understanding of the various options and flexibilities that states have in implementing SNAP.

Through our review we have learned that SNAP varies greatly from state to state, and can even vary within a state. While the Federal Government provides parameters for the program, SNAP statutes, regulations, and waivers provide state agencies with numerous policy options to adapt their programs to meet the needs of low-income people in their states. Certain options may facilitate program design goals, better target benefits to those most in need, streamline program administration and field operations, or coordinate SNAP activities with other programs for low-income families. When carrying out the program, states determine eligibility requirements, such as income thresholds, asset limits, work-related requirements. And, through categorical eligibility, states can utilize the participation from one means-tested program, such as Temporary Assistance to Needy Family, or TANF, to defer eligibility for SNAP.

When calculating and issuing monthly benefits for those eligible, states have the flexibility to determine the value of medical deductions, and the standard utility allowances. It is important to note SNAP does not operate in a vacuum. When administering SNAP, states have a multitude of programs they are overseeing. As we will hear today, other programs, such as TANF, and Supplemental Security Income Program, have an effect on how SNAP is administered within the states. It is important to look at how, as a collective whole, these programs are used by the people they serve.

As we prepare for the next farm bill, this holistic understanding of the program will be important to make meaningful improvements. Understanding SNAP's interaction with other government programs and state agencies will help to utilize the effectiveness of the Federal, state, and local governments as they administer SNAP. While it is important to empower states to employ the best policies to meet the needs of the low-income families they serve, we, as Federal lawmakers, must ensure the integrity of SNAP is maintained, and not compromised by those administrative efficiencies. State flexibility can be an important tool in helping a family move out of poverty, however, the American taxpayer needs confidence that government programs are being targeted to those most in need.

I look forward to hearing our witnesses today as we explore how to best leverage the relationship between state and local communities, and to best serve recipients, and utilize taxpayer dollars.

[The prepared statement of Mr. Conaway follows:]

PREPARED STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

I want to welcome our witnesses to today's hearing and thank them for being here as we continue our review of the *Past, Present, and Future of SNAP*. This is our twelfth hearing within this series, and we have learned a tremendous amount about the complexities of SNAP and even more about the diverse individuals and communities that it serves.

As we continue our review, we will do so without preconceived notions and with a commitment to strengthen the program so it can best serve families, most efficiently utilize taxpayer dollars, and empower states to effectively implement the program while protecting program integrity.

Today, our witnesses will help us gain a better understanding of the various options and flexibility states have when implementing SNAP. Through our review we have learned that SNAP varies greatly from state-to-state, and can even vary within a state. While the Federal Government provides parameters for the program, SNAP's statutes, regulations, and waivers provide state agencies with numerous policy options to adapt their programs to meet the needs of low-income people in their states.

Certain options may facilitate program design goals, better target benefits to those most in need, streamline program administration and field operations, or coordinate SNAP activities with other programs for low-income families.

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It is important to note SNAP does not operate in a vacuum. When administering SNAP, states have a multitude of programs they are overseeing. As we will hear today, other programs, such as TANF and the Supplemental Security Income program have an effect on how SNAP is administered in states. It is important to look at how, as a collective whole, these programs are used by the people they serve.

As we prepare for the next farm bill, this holistic understanding of the program will be important in order to make meaningful improvements. Understanding SNAP's interaction with other government programs and state agencies will help to maximize the effectiveness of the Federal, state, and local governments as they administer SNAP. While it is important to empower states to employ the best policies to meet the needs of low-income families they serve, we as Federal lawmakers must ensure that the integrity of SNAP is maintained and not compromised for administrative efficiencies. State flexibility can be an important tool in helping a family move out of poverty, however the American taxpayer needs confidence that government programs are being targeted to those most in need.

I look forward to hearing from our witnesses today as we explore how to best leverage the relationship between the states and local communities to better serve recipients and utilize taxpayer dollars.

The CHAIRMAN. With that, I recognize the Ranking Member for any comments he has.

OPENING STATEMENT OF HON. COLLIN C. PETERSON, A REPRESENTATIVE IN CONGRESS FROM MINNESOTA

Mr. PETERSON. Thank you, Mr. Chairman, for holding this hearing, and I am looking forward to hearing from the witnesses.

I have been urging for some time now that the Committee take a look at the flexibility states have when administering SNAP. I understand that this is done to simplify the process, but I worry that it has gone too far, and that we have now too much leeway for the states. During the last farm bill debate I offered a plan to reform categorical eligibility, and, of course, it didn't happen. But I still have a hard time understanding how states with both Democratic and Republican governors are allowed to exceed Federal eligibility guidelines, and then charge the Federal Government for the additional expense. If we had a system like this, maybe we could balance the budget, if we could send the bill to somebody else. This creates a system, where we treat people differently in different parts of the country, and I just don't think that is right. My district, for example, borders North Dakota. North Dakota and Minnesota have different income and asset tests to qualify for SNAP,

so people in Moorhead, right across the river from Fargo, have a different situation. And it's hard to understand why we are doing that.

So I hope we will also be able to take a look at the impact of turning SNAP into a block grant, which, in my opinion, is not a viable option. I think it will only lead to the creation of an unaccountable slush fund for the states. Block granting SNAP has been supported by some in the past, but I hope we don't find ourselves on that path again. So, again, I look forward to the testimony. I thank the chair, and yield back.

The CHAIRMAN. I thank the gentleman. The chair would request that other Members submit their opening statements for the record so our witnesses may begin their testimony to ensure that there is an ample time for questions.

I would like to welcome to our witness table today Ms. Stephanie Muth who is the Deputy Executive Commissioner for the Office of Social Services, Texas Health and Human Services Commission, Austin, Texas, Ms. Stacy Dean, Vice President of Food Assistance Policy, Center on Budget and Policy Priorities here in Washington, D.C., and Ms. Karen Cunnyngham, Senior Researcher, Mathematical Policy Research here in Washington, D.C.

With that, Ms. Muth, you may start your testimony when you are ready.

STATEMENT OF STEPHANIE MUTH, DEPUTY EXECUTIVE COMMISSIONER, OFFICE OF SOCIAL SERVICES, TEXAS HEALTH AND HUMAN SERVICES COMMISSION, AUSTIN, TEXAS

Ms. MUTH. Good morning, Chairman Conaway, Ranking Member Peterson, and Members. Thank you so much for the opportunity to be with you here today. And, as the Chairman said, I am Stephanie Muth, and I work at the Texas Health and Human Services Commission, where my responsibilities include overseeing the Supplemental Nutrition Assistance Program, and eligibility operations for our integrated eligibility system, and I wanted to start by providing you with a little bit of information about the SNAP Program in Texas. We provide, on average, $435 million to 3.8 million SNAP recipients each month. Over ½ of the recipients in Texas are children, and just under eight percent are over the age of 60. And, like the rest of the nation, over the past 10 years Texas has experienced growth in SNAP participation. States around the country have been challenged to work within our existing resources to meet the demands of this increased case load, while remaining focused on program integrity. To meet this challenge, Texas has pursued some innovative solutions that increase client self-service options, and leverage third party data sources. So clients increased use of self-service like our *yourtexasbenefits.com* website, and a mobile app, allows our staff the time to focus on what their core responsibility is, which is verifying the information that is provided, and making accurate eligibility decisions.

The question posed to me was, how does Texas select which Federal options to implement in the SNAP program? Well, there is not one answer to that, but in general Texas selects options by considering state leadership direction, program integrity, business proc-

ess efficiencies, and the impact on the rest of the programs in our integrated eligibility system. Our state leadership is actively involved and engaged in shaping and directing policies for SNAP, and provides some direction through legislative actions. Texas values accountability and integrity of its publicly funded program, so, as a result, Texas chooses to verify most income sources and deductions, such as child support and medical expenses, and we do maintain an assets limit that considers liquid assets, as well as vehicle values.

In addition to maintaining program integrity, Texas is committed to efficient business processes that reduce unnecessary client interactions, while ensuring that we produce an accurate eligibility determination, and provide benefits timely. We allow applicants to submit applications online, and we have waivers that allow on demand and telephone interviews. And Texas also utilizes an electronic correspondence option so people can opt-out of receiving mail, and receive information from us through e-mail and text.

We consider the availability of resources that are required to implement additional state options or waivers in relation to the expected gain. Simply put, it is what kind of bang are we going to get for our buck. With limited resources, both staff and funding, we have to prioritize those state and Federal mandates, and also projects that will have the most impact, when we are determining what to do. Texas has sought to align eligibility policies across our program. Since we are an integrated eligibility state, we have aligned SNAP income and resources policies to mirror the state's TANF program. And although states have some flexibility in the administration of SNAP, we believe there are additional opportunities to improve program integrity, and leverage technology to gain efficiencies. I would like to outline three of those for you today.

First, Federal statute and regulations require that SNAP agencies accept an application with only a name, address, and signature. States are prevented from requiring any additional data elements to file an application, even an online application. Having the ability to require additional elements could strengthen program integrity in a virtual environment. It also could shorten eligibility processing timeframes, so we recommend some additional state flexibility in this area.

Second, Federal regulations require states to interview SNAP recipients at initial certification, and at least once every 12 months at re-certification. We recommend additional flexibility in determining when an interview is required. This would allow us to better deter fraud at the front end, and to interview cases that are at higher risk because of the attributes of that case, like self-employment income, an error, or fraud.

And last, Federal regulations require states to expunge SNAP benefits from accounts that have not been accessed after 1 year. But some SNAP cases are active, but they have benefits as old as 12 months. This erodes the public confidence in the program. Why is somebody who is receiving SNAP still have the benefits from 12 months ago? So we recommend additional flexibilities in that area as well.

And that completes my testimony.

[The prepared statement of Ms. Muth follows:]

PREPARED STATEMENT OF STEPHANIE MUTH, DEPUTY EXECUTIVE COMMISSIONER, OFFICE OF SOCIAL SERVICES, TEXAS HEALTH AND HUMAN SERVICES COMMISSION, AUSTIN, TX

Background

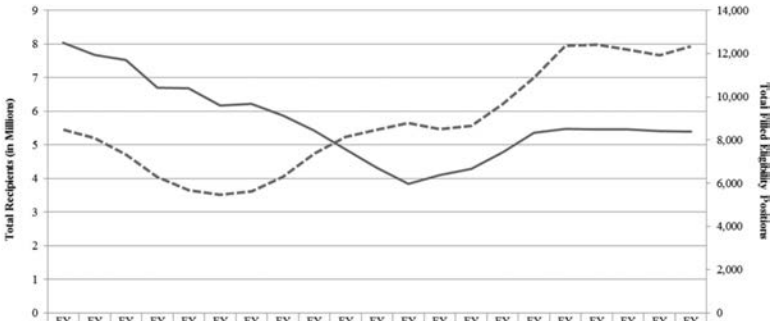
The Texas Health and Human Services Commission (HHSC) administers the Texas Supplemental Nutrition Assistance Program (SNAP), one of the largest in the country, providing on average $435 million to 3.8 million recipients each month. In Texas, the most common SNAP household is headed by a female between the ages of 18 and 39, with one or two children under age 12. She has some form of income, and receives a monthly SNAP benefit of $274. Over 8,000 staff across Texas determine eligibility for SNAP jointly with Medicaid, the Children's Health Insurance Program (CHIP), and Temporary Assistance for Needy Families (TANF) cash assistance using an integrated eligibility system. The Texas Workforce Commission administers the SNAP Employment and Training program.

The Texas population continues to grow at a rate that is faster than the national average. Over the past 10 years, Texas, like the nation, has experienced growth in SNAP participation. In 2006, SNAP caseload in Texas was around 2.4 million while the current caseload is approximately 37 percent higher at 3.8 million. The state must work within existing resources to ensure capacity is available to handle future demands and to operate the program in a manner that ensures the highest level of program integrity. This requires the state to identify opportunities to identify and deter fraud, prevent cost inefficiencies, improve coordination of services, and implement process refinements where possible. To meet this growing demand for services, preserve limited resources, and maintain the program integrity within the system, Texas has pursued innovative solutions to increase client self-service options and to leverage third-party data sources to independently verify client-provided information needed to determine eligibility. Examples include the verification of income and employment data through Equifax workforce solutions (TALX, formerly the Work Number) and applicant identity through the Texas Department of Public Safety database. In addition the state is in the process of providing eligibility staff access to data on lottery winnings through the Texas Lottery Commission.

Increased utilization of self-service allows staff to focus on their core responsibility of verifying information provided and determining eligibility accurately. Texas has increased self-service options for applicants and existing clients by developing and promoting a website as well as a mobile app that launched in 2014. The mobile app allows clients to upload eligibility verification documents, receive case alerts, check the status of their case, and report changes. With over 65% of applications submitted online and over 1.2 million documents uploaded through the mobile app, clients have demonstrated their strong facility with these tools.

These tools have proven effective and have allowed the state to serve increasing caseloads without an increase in staff resources (See *Figure 1* below). In 2009, only 58% of SNAP applications were processed on time. Today, over 96% of applications are processed on time. Texas estimates the increased reliance on self-service and the website saved as much as $41 million in reduced printing, postage, and document imaging costs for the state between 2012 and 2014. In addition, payments for call centers and document processing fell $12.7 million between Fiscal Years 2012 and 2014 while monthly caseload increased by more than 600,000 during the same time period.

Figure 1: Average Monthly Benefit Recipients and Filled Eligibility Determination Positions, 1995 to 2015



	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Recipients	5.45	5.20	4.70	4.04	3.64	3.52	3.61	4.04	4.74	5.24	5.45	5.65	5.46	5.56	6.21	7.00	7.94	7.97	7.83	7.67	7.92
Filled Positions	12,487	11,933	11,710	10,404	10,378	9,606	9,668	9,142	8,446	7,573	6,703	5,975	6,381	6,659	7,429	8,323	8,515	8,492	8,493	8,409	8,395

Note: Total Recipients count for Medicaid/TANF/SNAP is not an unduplicated total—recipients may be in all three categories.

As the state has shifted to increase the use of self-service, there has also been a shift in the reliance of technology to prevent and detect fraud. For example, Texas has implemented an identity verification process in the online application, but due to Federal restrictions, the applicant has the option to not complete it. In addition, the state is implementing increased analytics to EBT card purchases, similar to the technology that credit card companies use to detect potentially fraudulent activity.

In addition. Texas has begun implementing a new business process statewide focused on freeing up capacity by eliminating duplicate or unnecessary actions that do not add value, and maintaining staff's ability to independently verify information provided on applications and to make accurate eligibility determinations as quickly as possible. The new process has reduced the number of days it takes the state to deliver eligibility determinations, overtime, mailing and printing volumes, and client calls.

How Does Texas Select Options for SNAP?

SNAP benefits are 100% federally funded, and as such many of the program requirements are standardized across the country. Since SNAP is interoperable and benefits are portable across state lines, there is a need to maintain some consistencies between states. States do have areas of discretion within the program as contained in Federal statute and regulations. Outlined below is a description of the principles Texas applies in selecting options, some examples of options the state has selected, and areas where the state believes there are additional opportunities for flexibility.

When deciding which option works best in Texas, there is not one single determining factor. In general, Texas selects options by considering state leadership direction, program integrity, business process efficiencies, and its integrated eligibility system.

- State leadership is actively engaged in shaping and directing policies for the SNAP program and has shown interest in future policy changes to deter fraud such as photo identification on EBT cards and flexibilities such as SNAP purchase restrictions. The agency receives some direction regarding state options through legislation or through state appropriations decisions.
- Texas values accountability and integrity of its publicly-funded programs, and is selective in the SNAP options it adopts. Texas verifies most income sources and deductions in SNAP such as child support and medical expenses and maintains an assets limit that considers liquid assets as well as vehicle values. In 2013, Texas requested similar flexibility from the Centers for Medicare and Medicaid Services to maintain an assets test for the Medicaid program. This request was denied in 2014.
- In addition to maintaining program integrity, Texas is committed to efficient business processes that reduce unnecessary client interactions while ensuring accurate eligibility determinations and timely benefits for eligible individuals. In addition to opting to allow applicants to submit applications online, Texas has active waivers that allow on-demand and telephone interviews *in lieu of*

scheduled face-to-face interviews. Texas also utilizes electronic correspondence, and does not require re-certification interviews for households in which all adult members are elderly or disabled and have no earned income since these are low-risk cases. Having this flexibility allows the state to focus resources on preventing and detecting potential fraud.

- Texas also considers the availability of resources required to implement additional state options or waivers, in relation to the expected gains that will result from the change. Limited resources—both staff and funding—require the state to prioritize Federal- or state-directed changes and projects that will produce the most impact for the multiple programs maintained within its integrated eligibility system. In recent years, a focus on implementation of major Federal policy changes has reduced the state's capacity to initiate optional system changes for other programs. As a result, automation changes are carefully considered to ensure they are cost-effective, maintain program integrity, and preserve flexibility for future changes. Texas has also sought to align eligibility policies across the programs when allowable. For example, Texas has opted to align policies such as income, resources, and treatment of vehicles to mirror the cash assistance program, TANF.

Additional Opportunities for State Flexibility

Although states have some flexibility in administration of SNAP, there are opportunities beyond the current available options for states to improve program integrity and leverage technology to gain efficiencies.

- Federal statute and regulations require SNAP agencies to accept applications with only a name, address and signature whether submitted via an online process or paper process (in person, mail, or fax). This prevents states from requiring additional information needed to validate applications submitted online in order to confirm identity and to eliminate fraudulent activity. It can also result in incomplete information required to process applications and lead to additional client interactions, longer eligibility processing timeframes, and costs to the state. As more business moves online and less face-to-face interaction with clients is necessary, administrators must seek new ways to prevent and detect fraud. Texas recommends allowing flexibility for states to require additional information in order to accurately authenticate online applicants, reduce fraud, and protect confidential information. 7 U.S.C. § 2020(e)(2)(B)(iv). 7 CFR § 273.2(c)(1).
- Federal regulations require states to interview SNAP recipients at initial certification and at least once every 12 months at re-certification. Though states may opt to perform a phone interview *in lieu of* face-to-face, the submission of information online or through automated phone response systems is not considered to meet the interview requirement. FNS recently allowed Oregon and Utah to conduct demonstrations in which the eligibility interviews at application and re-certification were eliminated. A study of the demonstration project concluded that eliminating the interview may reduce error rates and decrease program churn. Texas recommends allowing states additional flexibility in determining when an interview is required. This would allow states to use analytics to identify high risk cases and target staff resources to focus on cases where fraud may be more likely to occur. Additional flexibility would allow states the ability to deter fraud at the front end, interview high risk cases, utilize technology to capture the same information that would be captured in an interview, and to better utilize staff time independently verifying information to make accurate eligibility determinations. 7 CFR § 273.2(e)(1).
- Federal regulations require states to expunge SNAP benefits from accounts that have not been accessed after 1 year. However, some households still develop high SNAP balances, which are allowed under program rules. This weakens program integrity by creating the perception that these households do not need or are not appropriately using their SNAP benefits. FNS has begun to address this issue by directing states to conduct verification checks on accounts with balances of $5,000 or more. In 2014, HHSC proposed additional actions to address high SNAP balances and further strengthen program integrity. HHSC requested and was denied a waiver to expunge SNAP benefits from active accounts that have been available for at least 12 months. This waiver would have allowed the state to expunge an additional 25,700 cases per month totaling approximately $254,000 in value, on top of the current average of about 42,000 cases totaling approximately $2.3 million each month. Texas recommends allowing states this flexibility to strengthen program integrity and ensure appropriate use of public funds. 7 CFR § 274.2(h)(2).

The CHAIRMAN. Thank you, ma'am. Ms. Dean, 5 minutes.

STATEMENT OF STACY DEAN, VICE PRESIDENT FOR FOOD ASSISTANCE POLICY, CENTER ON BUDGET AND POLICY PRIORITIES, WASHINGTON, D.C.

Ms. DEAN. Chairman Conaway, Ranking Member Peterson, and Committee Members, 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. I am really pleased to have the opportunity to talk to you today about state flexibility in the Supplemental Nutrition Assistance Program, or SNAP. I have worked on the program for more than 20 years, and one of the most rewarding parts of my job is the opportunity to work directly with state officials to improve the program at the local level, including helping them to understand the flexibilities available to them.

SNAP is the nation's most important anti-hunger program. It currently helps 45 million low-income Americans to afford a nutritionally adequate diet. It has powerful short- and long-term impacts on low-income families and individuals. It helps families and communities weather tough times. It reduces poverty and food insecurity. It improves health, and supports work. The program has been proven particularly important to families with very young children, having lasting impacts on their health and development.

SNAP's success can largely be attributed to its national entitlement structure, its relatively uniform eligibility standards, its basic standards for program administration and integrity, and the fact that it is a food-based benefit. Although it is a national program, states administer SNAP, and are a key partner in the program's success. States absolutely need some flexibility in SNAP because they operate it within a larger health and human services system, as you have just heard from Ms. Muth, and that can include Medicaid, child care, cash assistance, and other programs.

So let me just highlight a few areas of flexibility that I covered in my written testimony. First, states can tailor the look and feel of SNAP to their health and human services systems, and we just heard about a few in Texas. The amount of SNAP benefits that similarly situated families receive across two states really is very consistent, but how they engage with and experience the state agency can be quite different. Some states emphasize online services, or in person, or both. Some commit to process benefit applications within hours. In other cases, it will take weeks. Some provide a comprehensive set of services through a single case worker, and in other places families are asked to go to multiple places and fill out redundant paperwork. These are all choices that states have.

Second, the states have special flexibility to improve service delivery to the working poor. After the passage of the 1996 welfare law, states began to see that some of states' rules were impeding their ability to connect eligible working families to the program, and as a result, Congress, through the farm bills, provided new state options designed to allow states to service working families, and these flexibilities have made a difference. States now serve close to ¾ of eligible working poor families *versus* less than ½ in the late 1990s. And finally, states can test new ideas. USDA can

waive certain SNAP requirements to test whether a change would be in the program's interest. Now, I believe the Department is appropriately cautious about allowing unproven, sweeping new changes into the program that would compromise program integrity or program access. Nevertheless, USDA does work with early innovator states, and I would put Texas in that category, to test new ideas.

Overall I really think Congress and USDA have struck a reasonable balance in maintaining SNAP as a high performing national program, while providing states with needed flexibility. States' requests for more flexibility really have to be weighed with other considerations. Most notably, the program is highly effective at protecting vulnerable people from hunger and hardship, so state variation has to be carefully considered as to whether it will help the program meet that basic need, or put struggling people at greater risk. SNAP is fundamentally a food assistance program, and how it assesses what is a household, and that household's ability to purchase food for itself is just necessarily different than how we might measure the same group of people's ability and obligation to, for example, cover health insurance costs, or child care for each other. Federal SNAP rules require the highest level of rigor for any major benefit program with respect to assessing applicants' eligibility in determining benefits. Many states' request to change rules might save them time or burden, but would chip away at these very exacting standards.

So I absolutely appreciate your desire to strengthen the program, and this hearing process. As you assess suggestions for further flexibility or modifications to the program, we encourage you to ensure that those proposals not undermine SNAP's strengths. Proposals to sweep away some of the program's key features, or that would shift benefits away from food, would run counter to the program's goals and proven success. Block grants, capped funding, or merged funding streams all would eliminate the most important feature of SNAP, its national entitlement structure. Similarly, proposals that would weaken or deter access, or weaken the program's strong focus on integrity, would also compromise its current success. Any of these types of changes to SNAP's structure must be avoided. Thank you.

[The prepared statement of Ms. Dean follows:]

PREPARED STATEMENT OF STACY DEAN, VICE PRESIDENT FOR FOOD ASSISTANCE POLICY, CENTER ON BUDGET AND POLICY PRIORITIES, WASHINGTON, D.C.

Balancing State Flexibility Without Weakening SNAP's Success

Thank you for the opportunity to testify today. I am Stacy Dean, Vice President for Food Assistance Policy at the Center on Budget and Policy Priorities, an independent, nonprofit, nonpartisan policy institute located here in Washington. The Center 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, including the Supplemental Nutrition Assistance Program (SNAP). I have worked on SNAP policy and operations for more than 20 years. Much of my work is providing technical assistance to state officials who wish to explore options and policy to improve their program operations in order to more efficiently serve eligible households. I also lead our work on program integration and efforts to facilitate and streamline low-income people's enrollment into the package of benefits for which they are eligible. This work has included directing technical assistance to state officials through the Work Support Strategies Initiative run by the Urban Institute and the Center

for Law and Social Policy. The Center on Budget and Policy Priorities receives no government funding.

My testimony today is divided into two sections: (1) SNAP's role in our country as a Federal nutrition program; and (2) an overview of state flexibility and options in SNAP.

SNAP Plays a Critical Role in Our Country

Before turning to today's hearing topic of SNAP's state options and flexibility, it is important to review some of SNAP's most critical features. The program is a highly effective anti-hunger program that is administered with relatively low overhead and a high degree of accuracy. Much of the program's success is due to a consistent national benefit structure, rigorous requirements on states and clients to ensure a high degree of program integrity and a focus on providing food assistance. Congress and USDA have sought to provide states flexibility where it would enhance the program and without weakening SNAP's success.

As of November of last year, SNAP was helping more than 45 million low-income Americans to afford a nutritionally adequate diet by providing them with benefits via a debit card that can be used only to purchase food. On average, SNAP recipients receive about $1.41 per person per meal in food benefits. 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 who 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 10 year period in serious nutrition-related problems among children. The doctors gave primary credit for this reduction to the Food Stamp Program (as the program was then named). 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. In some ways, particularly in its administration, 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.

SNAP Protects Families From Hardship and Hunger

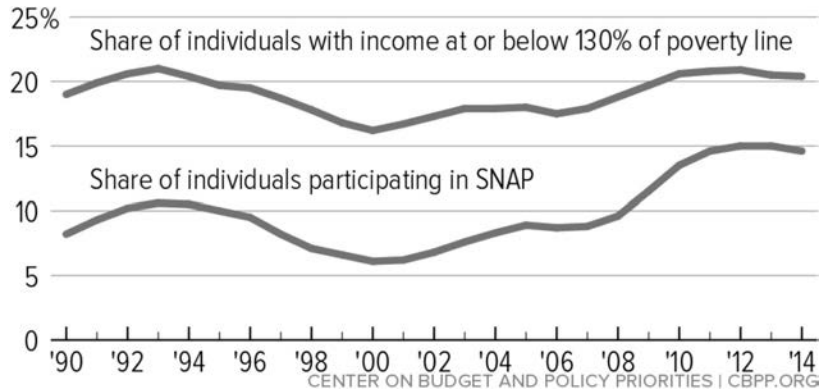
SNAP benefits are an entitlement, which means that anyone who qualifies under the program's rules can receive benefits. This is the program's most powerful feature; it enables SNAP to respond quickly and effectively to support low-income families and communities during times of economic downturn and increased need. Enrollment expands when the economy weakens and contracts when the economy recovers. (See *Figure 1.*)

As a result, SNAP can respond immediately to help families and to bridge temporary periods of unemployment or a family crisis. A U.S. Department of Agriculture (USDA) study of SNAP participation over the late 2000's found that slightly more than ½ of all new entrants to SNAP participated for less than 1 year and then left the program when their immediate need passed.

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. In 2014 and 2015, for example, it helped households in the Southeast affected by severe storms and flooding and households on the west coast affected by wildfires.

Figure 1

SNAP Tracks Changes in Share of Population that Is Poor Or Near-Poor



Note: Poverty estimates are annual estimates and available through 2014. SNAP share of resident population are annual averages.
Sources: U.S. Census Bureau, U.S. Department of Agriculture.

SNAP's caseloads grew in recent years primarily because more households qualified for SNAP because of the recession, and because more eligible households applied for help. The Congressional Budget Office (CBO) has confirmed that "the primary reason for the increase in the number of participants was the deep recession . . . and subsequent slow recovery; there were no significant legislative expansions of eligibility." [1]

While this increase in participation and spending was substantial, SNAP participation and spending have begun to decline as the economic recovery has begun to reach low-income SNAP participants. In 2014 and 2015 SNAP caseloads declined in most states; as a result, the national SNAP caseload fell by two percent both years. Nationally, for more than 2 years fewer people have participated in SNAP each month than in the same month of the prior year; about 2.5 million fewer people participated in SNAP in recent months than in December 2012, when participation peaked.

As a result of this caseload decline, spending on SNAP as a share of Gross Domestic Product (GDP) fell by four percent in 2015. In 2014 it fell by 11 percent, largely due to the expiration of the Recovery Act's SNAP benefit increase. CBO predicts that this trend will continue, and that SNAP spending as a share of GDP will fall to its 1995 levels by 2020.

SNAP Lessens 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 considers 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 ⅔ 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.

While the targeting of benefits adds some complexity to the program and is an area where states sometimes seek to simplify, it helps ensure that SNAP provides the most assistance to the poorest families with the greatest needs.

This makes SNAP a powerful tool in fighting poverty. A CBPP analysis using the government's Supplemental Poverty Measure, which counts SNAP as income, and that corrects for underreporting of public benefits in survey data, found that SNAP kept 10.3 million people out of poverty in 2012, including 4.9 million children. SNAP lifted 2.1 million children above 50 percent of the poverty line in 2012, 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

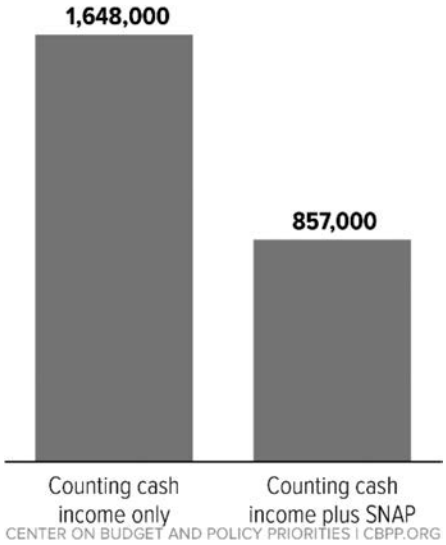
[1] Congressional Budget Office, "The Supplemental Nutrition Assistance Program," April 2012, *http://www.cbo.gov/sites/default/files/cbofiles/attachments/04-19-SNAP.pdf*.

$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 cut the number of extremely poor households in 2011 by nearly ½ (from 1.6 million to 857,000) (see *Figure 2*) and cut the number of extremely poor children by more than ½ (from 3.6 million to 1.2 million).

Figure 2

SNAP Cuts Extreme Poverty Almost in ½

Number of Households With Children, in 2011, Living on $2 Or Less Per Person Per Day

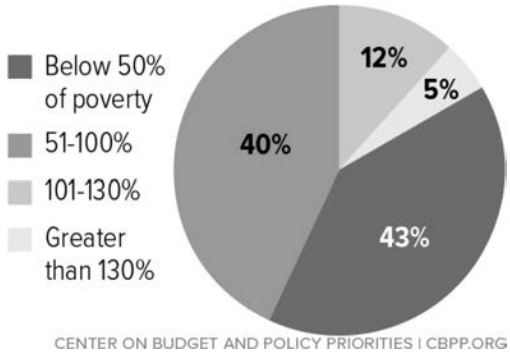


Source: Shaefer and Edin, "Rising Extreme Poverty in the United States and the Response of Federal Means-Tested Transfer Programs." National Poverty Center, University of Michigan, May 2013.

SNAP is able to achieve these results because it is so targeted at very low-income households. Roughly 93 percent of SNAP benefits goes to households with incomes below the poverty line, and 58 percent goes to households with incomes below ½ of the poverty line (about $10,045 for a family of three in 2016). (See *Figure 3.*)

Figure 3

Two-Fifths of SNAP Households Are Below ½ the Poverty Line



Source: USDA Household Characteristics Data, FY 2014.

During the deep recession and still-incomplete recovery, SNAP has become increasingly valuable for the long-term unemployed as it is one of the few resources available for jobless workers who have exhausted their unemployment benefits. Long-term unemployment hit record highs in the recession and remains unusually high; in January 2016, more than a quarter (26.9 percent) of the nation's 7.8 million unemployed workers had been looking for work for 27 weeks or longer. That's much higher than it's ever been (in data back to 1948) when overall unemployment has been so low.

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 about $1.70 in economic activity (*i.e.,* increase in economic activity and employment per budgetary dollar spent) among a broad range of policies for stimulating economic growth and creating jobs in a weak economy.

SNAP Improves Long-Term Health and Self-Sufficiency

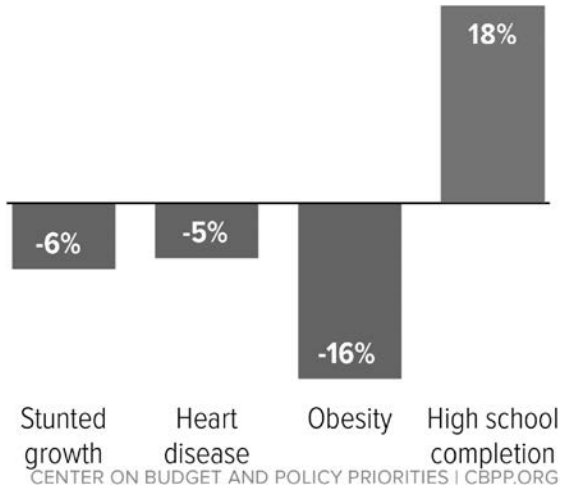
While reducing hunger and food insecurity and lifting millions out of poverty in the short run, SNAP also brings important long-run benefits.

A recent National Bureau of Economic Research study examined what happened when government introduced food stamps in the 1960s and early 1970s and concluded that children who had access to food stamps in early childhood and whose mothers had access during their pregnancy had better health outcomes as adults years later, compared with children born at the same time in counties that had not yet implemented the program. Along with lower rates of "metabolic syndrome" (obesity, high blood pressure, heart disease, and diabetes), adults who had access to food stamps as young children reported better health, and women who had access to food stamps as young children reported improved economic self-sufficiency (as measured by employment, income, poverty status, high school graduation, and program participation).[2] (See *Figure 4.*)

Figure 4

Children With Access to SNAP Fare Better Years Later

Percentage-Point Change in Outcomes for Adults Who Received SNAP as Children, Compared to Adults Who Did Not Receive SNAP as Children



Source: Hoynes, Schanzenbach, and Almond, "Long Run Impacts of Childhood Access to the Safety Net," National Bureau of Economic Research, November 2012.

[2] Hilary W. Hoynes, Diane Whitmore Schanzenbach, and Douglas Almond, "Long Run Impacts of Childhood Access to the Safety Net," National Bureau of Economic Research Working Paper 18535, 2012, *www.nber.org/papers/w18535.*

Supporting and Encouraging Work

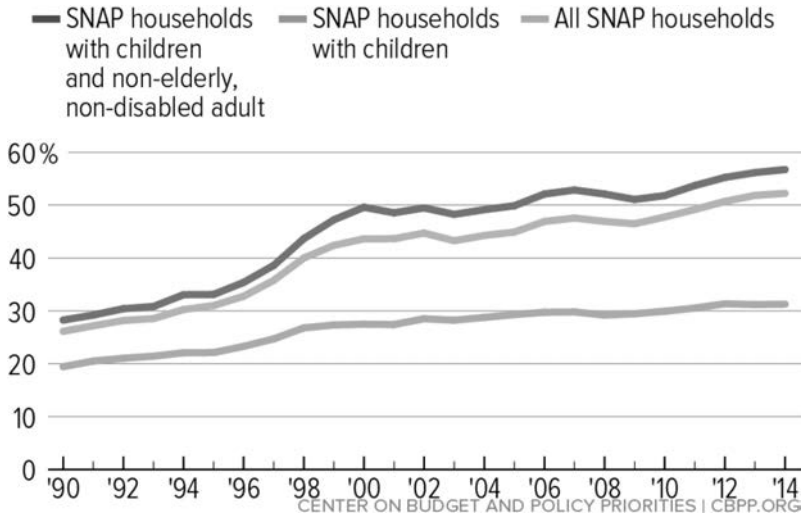
In addition to acting as a safety net for people who are elderly, disabled, or temporarily unemployed, SNAP is designed to supplement the wages of low-income workers.

The number of SNAP households that have earnings while participating in SNAP has more than tripled—from about two million in 2000 to about seven million in 2014. The share of SNAP families that are working while receiving SNAP assistance has also been rising—while only about 28 percent of SNAP families with an able-bodied adult had earnings in 1990, 57 percent of those families were working in 2014. (See *Figure 5.*)

Figure 5

SNAP Work Rates Have Risen, Especially Among Households With Children and Adults Who Could Be Expected to Work

Share of Households With Earnings



Source: CBPP tabulations of USDA household characteristics data.

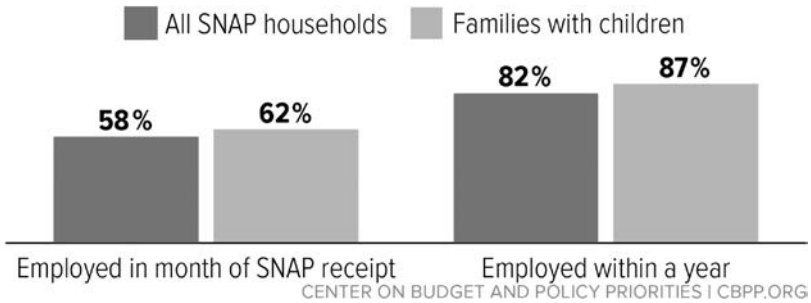
The SNAP benefit formula contains an important work incentive. For every additional dollar a SNAP recipient earns, her benefits decline by only 24¢ to 36¢—much less than in most other programs. Families that receive SNAP thus have a strong incentive to work longer hours or to search for better-paying employment. States further support work through the SNAP Employment and Training program, which funds training and work activities for unemployed adults who receive SNAP.

Most SNAP recipients who can work do so. Among SNAP households with at least one working-age, non-disabled adult, more than ½ work while receiving SNAP—and more than 80 percent work in the year prior to or the year after receiving SNAP. The rates are even higher for families with children. (See *Figure 6.*) (About ⅔ of SNAP recipients are not expected to work, primarily because they are children, elderly, or disabled.)

Figure 6

SNAP Households with Working-Age Non-Disabled Adults Have High Work Rates

Work Participation During the Previous and Following Year for Households that Received SNAP in a Typical Month



Source: CBPP calculations based on 2004 SIPP Panel data.

Strong Program Integrity

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.

The percentage of SNAP benefit dollars issued to ineligible households or to eligible households in excessive amounts fell for 7 consecutive years and stayed low in 2014 at 2.96 percent, USDA data show. The *under*payment error rate also stayed low at 0.69 percent. The combined payment error rate—that is, the sum of the overpayment and underpayment error rates—was 3.66 percent, low by historical standards.[3] Less than one percent of SNAP benefits go to households that are ineligible. (See *Figure 7.*)

If one subtracts underpayments (which reduce Federal costs) from overpayments, the net loss to the government last year from errors was 2.27 percent of benefits.

In comparison, the Internal Revenue Service (IRS) estimates a tax noncompliance rate of 16.9 percent in 2006 (the most recently studied year). This represents a $450 billion loss to the Federal Government in 1 year. Underreporting of business income alone cost the Federal Government $122 billion in 2006, and small businesses report less than ½ of their income.[4]

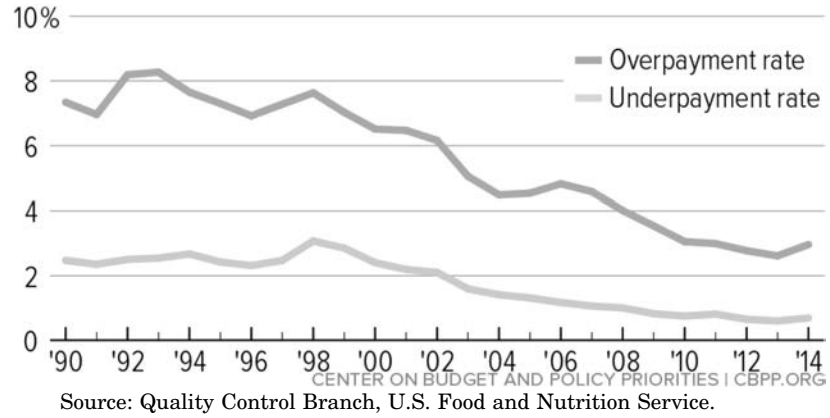
[3] See the Fiscal Year 2014 error rates: *http://www.fns.usda.gov/snap/quality-control*.

[4] For both SNAP and taxes the figures represent gross estimates (*i.e.,* before SNAP households repay overpayments, taxpayers make voluntary late payments, or consideration of IRS enforcement activities.) The net costs are somewhat lower. See: Internal Revenue Service, "Tax Gap for Tax Year 2006, Overview," January 6, 2012, *http://www.irs.gov/pub/newsroom/overview_tax_gap_2006.pdf*.

Figure 7

SNAP Error Rates Near All-Time Lows

Fiscal Years 1990–2014



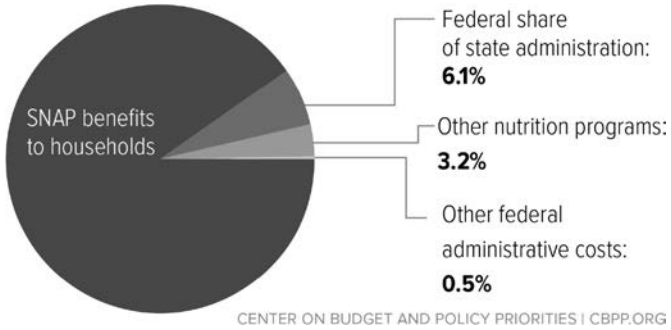
Source: Quality Control Branch, U.S. Food and Nutrition Service.

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 almost 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. About 90 percent of Federal SNAP spending goes to providing benefits to households for purchasing food. Of the remaining ten percent, about seven percent was used for state and Federal administrative costs, including eligibility determinations, employment and training and nutrition education for SNAP households, and anti-fraud activities. About three percent went for other food assistance programs, such as the block grant for food assistance in Puerto Rico and American Samoa, commodity purchases for the Emergency Food Assistance Program (which helps food pantries and soup kitchens across the country), and commodities for the Food Distribution Program on Indian Reservations.

Figure 8

90 Percent of Federal SNAP Spending Is for Benefits



Source: Department of Agriculture, Fiscal Year 2015.

Note: Other nutrition programs include spending on nutrition assistance grants for territories, support for food banks, and the Food Distribution Program on Indian Reservations.

Balancing State Flexibility With Effective National Standards

While SNAP is a national program with relatively uniform eligibility standards and basic parameters for program administration and program integrity, it is administered by states, which share in the costs of administering the program. States are a key partner in the program's success and one of their primary considerations is that they do not administer SNAP in a vacuum or under a consistent set of local circumstances. All states have integrated SNAP into their broader health and/or human service systems for both efficiency and service considerations. In most places, SNAP is co-administered with many other programs.

While Medicaid is the program with the most significant overlap with SNAP (about ¾ of households receiving SNAP benefits in 2014 had at least one member receiving health coverage through Medicaid or the Children's Health Insurance Program),[5] states also co-administer SNAP with other programs including child care, cash assistance, and refugee assistance. That means that they often are using the same set of staff, computer systems, local offices, and forms for many different programs. States are constantly working to integrate the major safety net programs into a coherent package for families, in order to support their stability while improving efficiency and program integrity.

As a result, the program provides states with flexibility in how they operate the program to respond to local circumstances, particularly with respect to harmonizing SNAP operations with Medicaid and other local programs.

In other cases, states have identified program rules that conflict with the program's core goals. One of the key examples of this was in the late 1990's after the passage of the 1996 welfare reform law. As many low-income families with children were leaving cash assistance as a result of policy changes to that program and the booming economy, states also saw a drop-off in food stamp enrollment that could not be explained by a drop in the share of eligible individuals. Many families were leaving cash assistance for work but were not earning wages that would disqualify them from SNAP. States began to see that some of SNAP's eligibility and administrative requirements were undermining their ability to serve working-poor families. As a result, Congress enacted numerous new state options in the 2002 and 2008 Farm Bills designed to allow states to improve service to working families.

And, states often have ideas for ways to improve program administration or design that were not envisioned by Congress or USDA and that merit accommodation or testing. In many cases, the program allows for local customization. When flexibility is not explicitly provided, USDA has the authority to waive its SNAP requirements when it believes the requested change would be in the program's best interest. Typically, USDA is cautious about allowing unproven sweeping new changes into the program. The department often seeks early innovators to test ideas and then identifies the best means to integrate (or reject) the ideas as state options.

Congress and USDA have had to weigh states' and localities' requests for flexibility with other core values and considerations, most notably:

- At its core, SNAP is a food assistance program. How it assesses what comprises a household, and a household's ability to purchase food, is necessarily different than how we might measure the same group of people's obligation and ability to provide for each other's health care or child care.
- SNAP is a national program meant to respond as consistently as possible to the needs of low-income people and families who cannot afford a basic diet no matter where they live. Currently, families with the same economic circumstances in two states can expect the same level of SNAP benefits under this national framework. The same is not true of many state-operated human services and income support programs. In fact, SNAP plays a key role in leveling out the disparate level of wages and support available to poor families and individuals across states.
- The program is a highly effective intervention that protects vulnerable families, seniors, people with disabilities, and others from hunger and hardship. Flexibility and state variation must be carefully considered as to whether it will augment the program's ability to meet these basic needs or put needy people at greater risk.
- SNAP benefits are paid entirely by the Federal Government. Federal SNAP rules require the highest level of rigor of any major benefit program; with re-

[5] CBPP analysis of the Census Bureau's March 2015 Current Population Survey. See Jennifer Wagner and Alicia Huguelet, "Opportunities for States to Coordinate Medicaid and SNAP Renewals," Center on Budget and Policy Priorities, February 5, 2016, *http://www.cbpp.org/research/health/opportunities-for-states-to-coordinate-medicaid-and-snap-renewals*.

spect to assessing eligibility and determining benefit levels to ensure that states are properly administering Federal funds. And, SNAP rules generally require a detailed assessment of a household's current financial situation. Few other programs operated by states meet these standards.

- A consistent framework for customer service standards, such as the requirements for states to process applications within 30 days of receipt and for households to provide documentation of their income and circumstances, is important to ensure a shared sense of program requirements across states. Early experience with the program demonstrated that states were extremely uneven in how they operated the program and, in some cases, access was extremely limited.

There can be a tension between remaining true to SNAP's goals of addressing food insecurity and hunger and providing states with flexibility to set SNAP policy. While the discussion and debate around the appropriate level of state flexibility is an ongoing one, I believe that Congress and USDA have struck a reasonable balance in maintaining SNAP as a high performing national program while according states sufficient flexibility. The program has valued maintaining a generally consistent national eligibility and benefit structure that demands a high level of rigor and integrity when assessing eligibility, as well as a common framework of what's expected of clients and states in administering the program. Flexibility has been provided in a number of areas detailed in the section below.

As you assess suggestions for further flexibility or modifications to the program, we encourage you to ensure that those proposals do not undermine SNAP's strengths as a food assistance program targeted to individuals and families with the least ability to purchase food. Proposals to sweep away some of SNAP's key features or that would shift benefits away from food assistance to other purposes would run counter to the program's goals and proven success. Block grants, capped funding, or merged funding streams all would eliminate the most important features of SNAP—its national entitlement structure. Any of these types of changes to SNAP's structure must be avoided.

To be sure, despite the level of flexibility offered in SNAP, it is less flexible than various other programs state-administered health and human services programs. Programs with capped Federal funding such as the child care development block grant or the Temporary Assistance for Needy Families (TANF) block grant offer states more flexibility in setting program rules. Of course, those programs are extremely limited in in their reach and impact. And, programs that states administer that require a significant state financial contribution, such as Medicaid, establish basic minimum Federal standards but give states flexibility to expand the program's eligibility and benefit package as well as tailor administration and operations within more general Federal guidelines. Because states also operate these other programs, SNAP can strike them as significantly less flexible by comparison.

Areas of Flexibility in SNAP

SNAP's statute, regulations, and waivers provide state agencies with various policy options. State agencies use this flexibility to adapt their programs to meet the needs of their eligible, low-income residents. Certain options may facilitate program design goals, such as removing or reducing barriers to access for low-income families and individuals, or providing better support for those working or looking for work. Others focus on streamlining and coordinating SNAP with other programs, such as Medicaid. This flexibility helps states better target benefits to those most in need, streamline program administration and field operations, and coordinate SNAP activities with those of other programs.

The following are several categories of flexibility within the program, with examples of the types of flexibility available in each category. The list is meant to provide a flavor of the available options *versus* providing an exhaustive catalogue within each category.

Options that Provide Flexibility in Eligibility or Benefit Calculation Policy

As a part of and since the passage of the 1996 welfare law, Congress has offered states several options to adopt less restrictive eligibility and benefit calculation rules in SNAP in order to coordinate SNAP with other programs, such as TANF cash assistance and Medicaid. In addition, this flexibility has made it much easier for states to serve working families.

- **Vehicle asset test:** Federal rules for counting the value of cars and other vehicles toward SNAP eligibility are restrictive and outdated. The Food Stamp Act of 1977 required states to count the fair market value of a car as a resource to the extent that it exceeded $4,500, an amount not indexed to inflation that has been raised by only $150 in almost 40 years. Because Federal policy was

viewed as preventing low-income households, especially working families, from owning reliable means of transportation, and because many states had addressed this concern in other programs for which they set eligibility rules, in 2000 Congress gave states flexibility to craft a food stamp vehicle asset rule that suits their needs. Instead of the Federal rules, states may use in SNAP the method for valuing vehicles that the state has established under a TANF-funded cash or non-cash assistance program so long as it is not more restrictive than Federal food stamp rules. After this change, many states imported into SNAP the vehicle rules they used in their TANF cash assistance or TANF-funded child care programs. Within a few years of the change, every state had modified its rules for counting the value of vehicles so that participants could own a more reliable car.

- **Categorical eligibility:** The 1996 welfare law provided states with an option to align two aspects of SNAP eligibility rules—the gross income eligibility limit and the asset test—with the eligibility rules they use in programs financed under their TANF block grant. Over 40 states have adopted this option to simplify their programs, reduce administrative costs, and broaden SNAP eligibility to certain families in need, primarily low-wage working families.

  States use the categorical eligibility option to enable households with *gross* incomes modestly above 130 percent of the poverty line (up to 200 percent of poverty in a few states) but *disposable* income *below* the poverty line—or with savings modestly above $2,250 (an asset limit that has declined by about 50 percent in real, *i.e.,* inflation-adjusted, terms since 1986)—to qualify for SNAP assistance in recognition of their need.

  In states that take the option, households must still apply through the regular application process, which has rigorous procedures for documenting applicants' income and circumstances. But the option allows states to provide SNAP to certain working families with children or to households that have built a modest amount of savings who otherwise would not qualify for help affording food.

  - Flexibility with the gross income limit favors low-income households with modest incomes and high living expenses. About $9 of every $10 in SNAP benefits that are provided to low-income households who qualify for SNAP because their state uses this option are provided to low-income working households. About $8 of every $10 in such benefits go to families with children. About ⅔ of these benefits go to households with gross income below 150 percent of the Federal poverty line.
  - Without this option, states cannot provide SNAP to poor families who have managed to save as little as $2,251 or to seniors or people with disabilities who have saved as little as $3,251. Building assets helps low-income households invest in their future, avert a financial crisis that can push them deeper into poverty or even lead them to become homeless, avoid accumulating debt that can impede economic mobility, and have a better chance of avoiding poverty and greater reliance on government in old age.

  Despite some claims, categorical eligibility was not the major driver of increased caseloads during the recent economic downturn. The economy and increased poverty as well as a rise in the participation rate among eligible people were the overwhelming drivers of caseload increases during the recession. Economists Peter Ganong and Jeffrey Liebman found that increased adoption of broad-based categorical eligibility accounted for eight percent of the caseload increase. (Because households eligible as a result of broad-based categorical eligibility receive lower-than-average benefits, this change accounted for a smaller share of the cost increase during the same period.)[6]

- **Transitional benefits:** A change in the 2002 Farm Bill allows states to provide up to 5 months of transitional SNAP benefits to families that leave states' TANF cash assistance programs. The provision was enacted in response to research that found that fewer than ½ of households that left TANF cash assistance stayed connected to SNAP, despite earning low wages and (in most cases) remaining eligible for SNAP benefits. The option allows states to continue a

[6] Peter Ganong and Jeffrey B. Liebman, "The Decline, Rebound, and Further Rise in SNAP Enrollment: Disentangling Business Cycle Fluctuations and Policy Changes," National Bureau of Economic Research, Working Paper 19363, August 2013, *http://www.nber.org/papers/w19363.pdf?new_window=1.* See Dottie Rosenbaum and Brynne Keith-Jennings, "SNAP Costs and Caseloads Declining," Center on Budget and Policy Priorities, updated February 10, 2016, *http://www.cbpp.org/research/food-assistance/snap-costs-and-caseloads-declining.*

family's SNAP benefits when a family gains a job and leaves TANF cash assistance, based on information the state already has and without requiring the family to reapply or submit additional paperwork at that time. The continuity of SNAP can reward work and help make clear to families that SNAP is available to low-income families that do not receive cash assistance. Helping families retain benefits can help make the transition to work more successful and ensure that families are better off working than on welfare. In 2013, 20 states had adopted the option.

- **Simplified income and resources:** Two other provisions of the 2002 Farm Bill allowed states to simplify which income and resources count toward SNAP eligibility by excluding uncommon forms of income and/or resources that they exclude in their TANF cash assistance or Medicaid programs. More than ½ the states have taken advantage of the option to exclude such income or resources. The change has allowed states to simplify forms and reduce the administrative burdens of tracking down and verifying these obscure forms of income or assets.

State Options Within SNAP's 3 Month Time Limit

Able-bodied adults without dependents (ABAWDs) are limited to 3 months of SNAP in any 3 year period unless they are working at least half time, participating in a qualifying job training activities for an average of 20 hours a week, or doing workfare. States and localities are not required to help the affected people find jobs or provide a place in a job training program that would allow them to keep benefits. Very few do so, leaving it to the participants to find enough work or training to keep their benefits. As a result, states' first choice within the time limit policy is whether to operate the rule as a work requirement—whereby they provide work slots to those willing to work—or as a time limit where they cut off individuals after 3 months regardless of their willingness to work and whether they are searching for a job. Most elect to operate the rule as a time limit.

As a result, the 3 month time limit for childless, non-disabled adults who are unable to find 20 hours a week of work is one of the harshest provisions in SNAP. By 2000, 3 years after it was first implemented, an estimated 900,000 individuals had lost benefits. Since the time limit has been in effect, it has severely restricted this group's access to the program.[7] Many of those who have lost benefits have faced serious hardship and have not been eligible for other kinds of public assistance.

In addition to the choice of whether to operate the rule as a time limit or a work requirement, states have two main options within this program rule:

- **Waivers for areas with sustained levels of relatively high unemployment.** The authors of the provision in 1996, Reps. Kasich and Ney, included some modest state flexibility related to this provision. States can waive the time limit in areas with high unemployment, meaning that individuals residing in a waived area are not subject to the time limit. States request these waivers by submitting evidence to FNS that areas within the state, such as counties, cities, or tribal reservations, have high and sustained unemployment.

  In the past few years, the 3 month limit hasn't been in effect in many states. Many states qualified to waive the time limit throughout the state due to high unemployment rates during and since the Great Recession. But as unemployment rates have fallen, fewer areas are qualifying for statewide waivers (though in most states there are some counties or other localities that remain eligible for waivers because they continue to have high unemployment).

  In 2016, the time limit will be in effect in more than 40 states. In 23 states, it will be the first time the time limit has been in effect since before the recession. (See *Figure 9.*) Of these states, 19 must reimpose the time limit in at least part of the state; another four are electing to reimpose the time limit despite qualifying for a statewide waiver from the time limit because of continued high unemployment.[8]

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[7] "Imposing a Time Limit on Food Stamp Receipt: Implementation of the Provision and Effects on Participation," Mathematica Policy Research, 2001, available at: *http://www.fns.usda.gov/sites/default/files/abawd.pdf*.

[8] Ed Bolen, *et al.,* "More Than 500,000 Adults Will Lose SNAP Benefits in 2016 as Waivers Expire," Center on Budget and Policy Priorities, updated January 21, 2016, *http://www.cbpp.org/research/food-assistance/more-than-500000-adults-will-lose-snap-benefits-in-2016-as-waivers-expire*.

Figure 9

States Newly Implementing SNAP Time Limits in 2016

Note: These are states that had o statewide waiver of the time limit for childless adults aged 18–49 without disabilities in 2015, but are implementing the time limit in some or all of the state beginning January 2016. The other states either began implementing the time limit in 2015 or earlier, or are eligible for and will waive the entire state from the time limit in 2016.

- **Individual exemptions.** In addition to the mandated exemptions from the time limit (for example, disability and pregnancy), states have additional flexibility to set their own exemption criteria. Each year, a state can exempt roughly 15 percent of its caseload that is subject to the time limit. Once a year, FNS estimates the number of ABAWDs who are subject to the 3 month time limit who are not living in a waived area and calculates exemptions representing 15 percent of that number. Each exemption may be used to exempt one individual for 1 month, though states can grant continuing exemptions to a single individual to exempt that person for a number of months. Many states find this flexibility difficult to use and do not take advantage of this option at all.

State Options Within Disqualification and Sanction Policy

SNAP gives states flexibility, within federally proscribed parameters, to tailor SNAP's disqualification and sanction policy for participants' noncompliance with certain program rules, including work requirements. The 1996 welfare law included several state options to ensure that states could coordinate sanction policy across cash and food assistance and options for additional SNAP-only sanctions.

- **State options to conform SNAP sanctions with TANF work rules.** The 1996 welfare law included three state options to ensure that SNAP work rules and sanctions complement, rather than undermine, the rules states establish in their TANF cash assistance programs. First, states have the option to disqualify an individual from SNAP if she or he has been disqualified from TANF for failure to comply with TANF work requirements. States also have the option to decrease a household's SNAP benefits by up to 25 percent when the household's TANF benefits have been cut due to non-compliance with a TANF work requirement. Finally, states must impose *SNAP* sanctions on certain TANF households who do not comply with TANF work requirements. States have an option to disqualify SNAP benefits for the entire family for up to 6 months (unless the family has a child under age 6).
- **State options for sanctions for non-compliance with SNAP work requirements.** For SNAP households that do not include TANF recipients, the 1996 welfare law also gave states more discretion over penalties for violating SNAP's various work-related requirements (which are separate and distinct from the 3 month time limit that childless adults face.) Under SNAP's rules,

an individual who does not comply with SNAP's work requirements is ineligible for a designated period of time, with the duration of the sanction increasing with successive offenses. States have options for how many months the disqualification lasts and whether to terminate SNAP for just that individual or the entire household (for up to 6 months).

- **Behavior-related sanctions.** States have several state options related to behavior other than work.
  - First, for TANF recipients who are sanctioned for violating a TANF requirement related to conduct other than a work requirement (*i.e.,* where a family's children who are students are required to stay in school or risk losing some of the households' cash assistance benefit) the household cannot receive increased SNAP benefits because of the TANF benefit cut and states may cut the household's SNAP benefit by up to 25 percent or import the TANF disqualification into SNAP (for the individual disqualified from TANF).
  - States may disqualify from SNAP parents who are not complying with Child Support Enforcement. This includes custodial parents who are not cooperating with states' efforts to establish the paternity of the child and obtain support payments, and non-custodial parents who are not cooperating or paying child support. States also have the option to sanction non-custodial parents who are in arrears on their child support payments.
- **Prohibition on convicted drug felons participating in the program.** A provision of the 1996 welfare law permanently disqualifies individuals from SNAP (and TANF) if they are convicted of a state or Federal felony related to possession, distribution, or use of controlled substances after August 1996 (the date of enactment of the welfare law). States may pass legislation to opt out of this provision. They also may impose certain conditions on former felons who seek SNAP. For example, a state may require the individual to periodically submit to a drug test. Or a state may opt to impose the ban on people whose offense was selling (rather than only possessing) drugs. Several states, including Alabama, Missouri, and Texas, have recently modified the drug felon ban (almost 20 years after it went into effect) as part of broad criminal justice reforms.

It is important to note that the primary goal of sanctions is to provide a mechanism to help bring the household into compliance with what is being asked of them rather than as a means to punish households who fail to perform required tasks. Very little research has been undertaken in SNAP to assess the overall effectiveness of sanctions on incentivizing the desired results. Research in the TANF program suggests that a large proportion of families that are sanctioned for failing to comply with program activities are those with barriers to employment such as health and substance abuse problems or low levels of education. These findings suggest that work barriers can impede a recipient's ability to meet program requirements and may be the cause of the failure to comply with requirements, rather than a willful refusal to comply. This may be because the particular work activities to which a recipient has been assigned are inappropriate, based on her individual circumstances, or that appropriate supportive services to help the recipient overcome her employment barriers are not in place. Placement in an inappropriate activity could arise because the states failed to identify the recipient as having a barrier, or a state may not have appropriate activities available for individuals whom it identifies as having particular barriers to employment.

Application Requirement Flexibility

In addition to flexibility regarding certain eligibility and benefit rules, SNAP affords states considerable flexibility, within Federal standards, in the application and certification requirements they apply to households (for example, how often states require households to reapply for benefits, and which households they offer a telephone interview at application *in lieu of* a face-to-face interview.) This is an area of the program where the "flavor and feel" of the program can vary quite a bit across states.

This flexibility is bounded by program integrity standards and backed up by fiscal penalties on states for poor payment accuracy. SNAP's Quality Control (QC) system has long been one of the most rigorous systems of any public benefit program in ensuring payment accuracy. Every month states select a representative sample of SNAP cases (totaling about 50,000 cases nationally over the year) and have independent state reviewers check the accuracy of the state's eligibility and benefit decisions within Federal guidelines. Federal officials then 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 above the national average.

In many areas, because of this rigorous QC backstop, Federal rules allow states flexibility in the procedures they apply to households. For example:

- **Certification period length.** States have options for how often they require households to reapply and have their eligibility reassessed. Federal rules require households be certified for fixed periods of time. States must require most households to reapply for SNAP at least annually, though states may allow households with more stable circumstances (*i.e.,* households with elderly or disabled members who have fixed incomes) to reapply every 2 years. Within these Federal rules states have flexibility for determining how often different types of households must reapply.
- **Reporting changes.** SNAP participants also are required to keep the state informed between eligibility reviews about certain changes in household circumstances (such as in income or household members). Federal rules present two basic reporting systems—change reporting (changes must be reported within 10 days), and periodic reporting (which requires reports periodically, usually every 6 months, though states may require reports monthly)—and allow states to determine which households they assign to which type of system. SNAP households are frequently subject to other programs' reporting requirements as well, most notably Medicaid but also child care and cash assistance through TANF or Supplemental Security Income (SSI).
- **In-person or telephone interviews.** SNAP rules require households to be interviewed at initial certification, and most households must be interviewed at least once a year thereafter. In recent years, in recognition of the burden that traveling to a local office can present to working families, seniors, and people with disabilities, and those with limited access to transportation, FNS has given states more flexibility in determining which households must visit an office for an in-person interview and for which households a telephone interview may be conducted.
- **Verification.** In SNAP certain items such as income, identity, and questionable information must be verified, either through a data match, household documents, or a contact with a reliable source. But states have a wide degree of latitude on what other items they require to be verified.

As mentioned, all of these choices operate within Federal standards, and the rigorous QC system provides assurances that states make carefully considered choices that protect Federal fiscal interests.

State Operations and Basic Business Model

Like with application and certification rules, states have a wide degree of flexibility for how they set up their SNAP program operations. Federal rules proscribe certain basic customer service standards; for example, most eligible households are expected to be provided benefits within 30 days of application (and, for the most destitute within 7 days). And, of course, states cannot discriminate, cannot turn people seeking help away, and must comply with other laws that protect privacy and people with disabilities, for example.

But beyond these basic protections and standards, states have enormous flexibility to tailor their program operations—for example, how they staff their offices, coordinate with other programs, and deliver SNAP benefits. As a result, SNAP participants experience a wide range of different programs across the United States, and even within a given state, different counties and local offices may differ dramatically in their look and feel. Below are a series of examples of state flexibility in operations.

- **Office structures.** States have wide latitude over how they staff and structure their offices and develop and operate their own technology systems. So, for example, many, but all not all, states have online applications and other services such as the ability for applicants and participants to check their benefits online. Some states use call centers to centralize telephone operations, while others route inquiry calls to local eligibility offices.
- **Staffing model.** States can assign households to a particular eligibility worker or can operate on a "task model," more like an assembly line, where staff share cases and different workers specialize in different certification activities, such as intake, interviewing, and case processing. Some might assign specially trained staff to address the particular needs of seniors or refugee groups. Some states make broad use of clerical staff, while others fully train almost all staff on the program's eligibility rules.

- **Coordination with other programs.** States may offer SNAP as a stand-alone program, or may coordinate SNAP eligibility with other human services programs. Almost every state coordinates eligibility for SNAP with eligibility for TANF cash assistance (though employment and training may be separate), and about 40 states coordinate with health coverage through Medicaid. Some states also operate their energy assistance, child care, and/or refugee assistance programs in the same offices and using the same staff and eligibility systems as SNAP.
- **Business process philosophy.** Some states handle applications, mandated renewals or matches that require resolution as they come to the state. Other states seek to anticipate work and get ahead of it. For example if a client calls to report a change, a call-center worker might also check to see if the client is due for a renewal soon. If so, the worker could use that opportunity to conduct a quick interview with the client, run data matches and successfully complete the renewal. This proactive approach typically reduces workload for the state and provides better service to citizens.
- **Speed of application processing.** Even within the 7 and 30 day Federal processing standards, states vary significantly on how quickly they determine eligibility. Some states, for example Idaho, focus on same-day services—aiming to "touch" each case only once, and finalize the eligibility determination for as many cases as possible the same day. Other states take the full 30 days allowed under Federal rules, waiting several weeks to schedule interviews and process verification. Both types of states are operating within Federal standards.
- **Benefit issuance.** States also have flexibility in how they time benefit issuance. Each household receives its benefits monthly, but some states spread the date of issuance out over the first week of the month or the first 20 days, for example.
- **Technology.** One of the areas where states diverge the most from each other is the quality of their technology. Some states use a single modernized computer system across multiple programs. These systems offer them the ability to undertake speedy data matches (while on the phone with a client), review scanned client documents, chat with clients and accurately apply current eligibility rules. Work can be moved to where resources are available because it is all digitized. Clients have access to online accounts where they can transact business and may even have a mobile app on their phones where they can upload documents or quickly answer the states' questions. Call centers answer the phone within minutes and have access to the necessary information to complete tasks with clients over the phone rather than forcing the client to take time off of work and travel to the local welfare office. Other states are working with decades-old systems, paper files, traditional phones (*i.e.,* no headsets for workers on the phone) and have to wait for batch matching with third-party data systems such as the Social Security system to be undertaken by a central office. These differences are substantial and have a large impact on how the state conducts its business and how flexible and nimble it can be. For states with old computer systems, the reprogramming necessary to simplify program rules or align SNAP with other programs can be very difficult, if not impossible, or take years to implement.

Regulatory Waiver Authority

Under Federal law, USDA can allow states to waive certain SNAP regulatory requirements in an effort to test innovative ways to improve program efficiency and to enhance client access. FNS has approved countless waivers using this authority. It keeps a public database of regulatory waivers; currently, there appear to be over 400 approved waivers.

For example, states have waivers to issue electronic notices to households that request them, *in lieu of* paper notices and to dispense with requirements on scheduling interviews if they commit to interview applicants "on demand" when they call a call center. Other examples are modest variations on benefit policy such as with respect to the calculation for how to average a student's work hours. We would expect that early testing on electronic notices with a few states would result in guidance to all states on the use of such notices if they wish to use them. Similarly, the waivers on averaging student work hours might result in a revised policy that reflects states' requests for more flexibility in that area.

Demonstration Waiver Authority

SNAP law has many state options built into its basic structure. In addition, in 1996, as part of the welfare law, Congress substantially expanded the program's

waiver authority to allow for greater state experimentation in SNAP. States can seek waivers to change virtually any aspect of the benefit structure and delivery system. The few limitations that Congress decided to retain after careful consideration are necessary to preserve the program's fiscal integrity and to maintain SNAP as a nutritional safety net.

For example, to preserve fiscal integrity, the 1996 welfare law prohibited states from waiving the requirement that states contribute ½ of administrative costs. Without this restriction, states could seek waivers that entail cutting benefits and converting the savings into an enhanced administrative matching rate. Similarly, states cannot waive the prohibition against giving SNAP to residents of most institutions. Without this prohibition, states could use benefits to fund meals in state prisons or mental hospitals and offset the costs through SNAP benefit cuts.

To maintain the nutritional safety net, a handful of critical program rules cannot be waived. These include:

- The *individual entitlement* to benefits for eligible persons who are not violating work or other conduct requirements. Without this protection, states could make various categories of households ineligible for benefits or establish waiting lists in order to secure a source of funds for other purposes.
- The *gross income limit* for households that do not include elderly and disabled members. Without this prohibition, states could reduce benefits for poor and near-poor households to provide benefits for some groups of households at higher income levels, or could reduce the income limit for everyone to shift resources from SNAP benefits to other uses.
- *Provision of timely service,* such as the right to apply for SNAP when a household first contacts the SNAP office and to receive benefits within 30 days if eligible. Without these provisions, households in severe need could have to wait for long periods before receiving assistance.

Another important provision in current waiver authority appropriately distinguishes between *demonstration* projects that operate in several counties and are designed to test new approaches and waivers that simply allow a state to alter on a *statewide* basis a Federal policy it does not favor. In the first type of waiver, which represents the type of approach followed over the years in a number of carefully evaluated pilot projects in various low-income programs, states are allowed broad discretion to alter the program's benefit structure. (States may not make entire categories of low-income households ineligible for SNAP if these households are fully complying with all work and other behavioral requirements, but they can test changes that result in large changes in the benefits levels for which households qualify.) In the latter type of waiver involving statewide policy changes, states can still change many program rules, but there is a limit on the proportion of a state's caseload whose benefits can be cut by more than 20 percent.[9]

This provision was included in the 1996 welfare law to ensure that waivers cannot simply eliminate or sharply reduce SNAP on a statewide basis for major categories of low-income households so long as the households are faithfully complying with program rules. Congress included it as an appropriate protection for a program that is designed to enable poor families and individuals to obtain a minimum adequate diet and in which the Federal Government pays 100 percent of the benefit costs.

Examples of demonstration waivers under this authority include demonstrations to test:

- the impact of simplifying the process by which eligible households can claim the medical expense deduction, and
- a simplified application process for seniors who qualify for SSI to be enrolled into SNAP.

While not required under Federal law, USDA has consistently required that these demonstration projects be cost neutral to the Federal Government to ensure that this authority is not abused to expand or contract the program.

SNAP Employment and Training Programs

SNAP employment and training (E&T) is one of the most flexible program features of SNAP. This ensures that states can design programs that are suited to their local economic conditions in terms of which populations they target with services, what services to offer, and in which localities. The primary limitation states

[9] Dorothy Rosenbaum, "States Have Significant Flexibility in the Food Stamp Program," Center on Budget and Policy Priorities, June 17, 2002, *http://www.cbpp.org/archives/6-17-02fs.htm*.

experience under employment and training is limited Federal grant funds. States are, however, eligible for unlimited Federal matching funds to double state investments in operate SNAP employment and training programs. Under SNAP rules, all adult recipients are required to register for work unless they are elderly, disabled, caring for a child under age 6, already complying with a TANF or unemployment compensation work requirement, or otherwise not expected to work. States have very broad discretion to require work registrants to look for jobs, to participate in employment and training activities, or to work off their benefits.

In 1996, Congress restructured the SNAP E&T program to serve primarily unemployed childless adults. As mentioned above, under the welfare law, such individuals may receive SNAP benefits for only 3 months out of any 3 year period unless they are participating in a work program. States criticized the provisions directing most Federal SNAP E&T money to unemployed childless adults as overly restrictive, and the reauthorization legislation enacted in May 2002 as part of the farm bill returned the E&T program to its prior, more flexible design. States once again have almost complete flexibility over how they operate their E&T programs. They may determine which populations to serve (for example, parents in families with children or unemployed childless adults) and select what types of employment and training services to provide. They may access Federal matching funds for these employment and training services and related work support services, including transportation and child care.

As part of the 201[4] Farm Bill, Congress authorized ten pilot projects to test whether SNAP E&T could more effectively connect unemployed and underemployed recipients to work. The selected pilots, announced in March 2015, include a mix of mandatory and voluntary E&T programs. Several of the pilots target individuals who face significant barriers to employment, including homeless adults, the long-term unemployed, individuals in the correctional system, and individuals with substance addiction. Each pilot involves multiple partners to connect workers to resources and services already available in the community. These pilots will help both states and the Federal Government understand how SNAP E&T can best contribute to recipients ultimately securing jobs that provide economic security and end their need for SNAP.

Other Flexibilities

As I noted above, this section is meant to give a sense of the categories of flexibility in the program rather than a comprehensive catalogue of all the state options and choices within SNAP. Within each category there are other examples, many of them less significant or less popular than the listed items. And, other program features provide flexibility as well. SNAP provides a nutrition education grant to states under which states can pursue nutrition education programming of their choice so long as it is evidence based. States also have flexibility in establishing and operating outreach services to help connect eligible but unenrolled individuals and families with SNAP. And, if a state experiences a natural disaster, states have the option to establish special disaster-SNAP (D–SNAP) that is customized to the needs in the impacted community within certain parameters.

States Are Not Always Aware of SNAP's Flexibility

I have worked on SNAP for more than 20 years. Much of my work is providing technical assistance to state officials who wish to explore options to improve their program operations. It has been my great pleasure to visit local offices and work with states all around the country. Most recently, I led technical assistance to states as a part of the Work Support Strategies Initiative (WSS)—a multi-year, multi-state initiative to help low-income working families obtain the package of work supports for which they are eligible, while enabling states to streamline administration. WSS worked directly with Colorado, Idaho, Illinois, North Carolina, Rhode Island, and South Carolina since 2011. Through grants and expert technical assistance, WSS helps states reform and align their systems for delivering work-support programs intended to increase families' well-being and stability—particularly SNAP, Medicaid, the Children's Health Insurance Program (CHIP), and child care assistance through the Child Care and Development Block Grant. Through WSS, states seek to streamline and integrate service delivery, use 21st Century technology, and apply innovative business practices to improve administrative efficiency and reduce burdens on both states and working families.

Based on my experience, many states are not fully aware of the level of flexibility available to them. They often assume that their states' SNAP program rules are mandated by the Federal Government. Instead, their program is a mixture of Federal rules and a set of choices by their predecessors in the state that was informed by circumstances or limitations that may no longer be relevant. This is particularly

true of state computer systems—when states purchase systems that are inflexible, they often call on the Federal agencies to provide flexibility to let them align the programs with their technology.

It also can be difficult for state officials to assess which rules were mandated and which are the result of prior state choices—now codified in state manuals and computer programming. This doesn't mean there aren't Federal requirements in SNAP and other health and human services programs—there certainly are. But, often states perceive SNAP as far more rigid than it is. One of the biggest areas that states struggle with is how to coordinate policies and procedures across programs. Perfect alignment isn't possible, but there's far more opportunity for coordination than many realize. We saw this recently when we interviewed states and conducted site visits on how states coordinate SNAP and Medicaid renewals. In many cases, the limitations of their computer systems were driving policy decisions, rather than policy choices driving the state's computer system design.

As states work to better coordinate their systems, they are discovering that there is often far more flexibility in Federal programs to align and coordinate, or cross-leverage, information than they thought. Often disconnects are the result of their own making or a lack of understanding of the flexibility available to them. Other times, differences between programs are by design and originate from the programs' differing goals. And, there are times when states discover differences between programs that raise reasonable questions. For example, several states have asked if they can use the wage and unemployment data that employers report to states and Social Security Administration to help verify household income as the basis for eligibility and benefit-level determination. Traditionally, this would not be allowed in SNAP because the data would be consider too old (up to 4 or 5 months) to use as a current assessment of household circumstances. Nevertheless, USDA is allowing a few states to test this approach in an effort to determine if this approach is workable, particularly for households with very stable income. Another example is that Medicaid allows and encourages states to use third-party data matches to verify income even if the information is a little dated, while SNAP historically has required states to gather current information, even from households with very stable employment arrangements. In such a case, the Federal Government can grant states waivers from Federal SNAP requirements to test whether allowing SNAP to use other programs' rules is appropriate and cost effective. I believe Texas is currently testing this approach, which may help USDA determine whether and under what conditions this approach may be workable in SNAP.

USDA can do more to assist states' efforts to administer SNAP as part of the larger health and human services system. First and foremost, USDA's oversight and policy development would be strengthened if its staff developed more expertise in other Federal assistance programs. When SNAP policy is different from policy in another major program such as Medicaid, it would be helpful for USDA to be aware of those differences, to flag them for states, and to be able to advise states on the flexibility they may have to harmonize the rules across programs. (The same holds true for HHS.) State and local governments, even individual caseworkers, ought not to be left on their own to disentangle differing Federal rules and regulations. It seems reasonable for the Federal agencies to navigate what we ask their state counterparts to manage. That having been said, USDA has taken steps to engage SNAP agencies in a conversation about how recent changes in Medicaid could be affecting SNAP operations at the local level. USDA can do more here, and I encourage them to do so.

Conclusion

SNAP is an efficient and effective program. It alleviates hunger and poverty and has positive impacts on the long-term outcomes of those who receive its benefits. And, SNAP has exacting standards with respect to eligibility determinations.

Congress and USDA have worked hard to balance the need to maintain SNAP's successful structure and design with some state flexibility to ensure the program is able to adapt to local circumstances, respond to the needs of under-served groups such as working families and seniors, and test new ideas to improve the program's efficiency without compromising its effectiveness. In general, these options are meant to augment SNAP, rather than weaken or compromise its ability to meet the basic nutrition needs of struggling Americans. As you consider state flexibility and state options in the program, I urge you to keep that goal as your priority.

Thank you.

The CHAIRMAN. Thank you, Ms. Dean. Ms. Cunnyngham, 5 minutes.

STATEMENT OF KAREN CUNNYNGHAM, SENIOR RESEARCHER, MATHEMATICA POLICY RESEARCH, WASHINGTON, D.C.

Ms. CUNNYNGHAM. Thank you, Chairman Conaway, Ranking Member Peterson, and Members of the Committee for the opportunity to testify on state options and SNAP. Today I will demonstrate ways in which SNAP quality control data can be used to analyze the effective state policy options on the SNAP population. These data are derived from the monthly quality control reviews that states conduct on a sample of SNAP households. I will focus on what we know about how state options regarding SNAP eligibility and time limits affect SNAP participation. I will conclude with some thoughts on opportunities to continue building the evidence base to inform decision-making on SNAP.

One key policy option available to states is the use of broad-based programs to extend categorical eligibility to households receiving a non-cash TANF-funded benefit. States may use this option to increase the number of people eligible for SNAP, and streamline the eligibility determination process. Although categorically eligible people are not subject to SNAP income and resource limits, benefits for these households are determined under the same rules that apply to other households. As a result, only those with income low enough to qualify for a benefit, or that quality for a minimum benefit, actually receive one.

Thirty-nine states, the District of Columbia, Guam, and the Virgin Islands have established broad-based categorical eligibility programs. They have some flexibility in setting the eligibility criteria for these programs. Thirteen use the SNAP gross income limit for households without an elderly member, or a member with a disability; 28 implemented a higher gross income limit for those households; and one state allows households with a child to have a higher gross income limit. Most of these programs do not have a resource test, while five states impose resource limits that are higher than the SNAP limits.

We estimate that, in Fiscal Year 2014, eight percent of SNAP households were eligible solely through state expanded categorical eligibility programs. Specifically, SNAP quality control data indicate that three percent of SNAP households were eligible through higher income limits. Less than one percent of all SNAP benefits went to these households. Their average monthly benefit was $58, compared to $260 for households that passed the SNAP income tests. Using supplemental data, we estimate an additional five percent of SNAP households will not have passed the SNAP resource test.

States also make choices regarding work programs and time limits. Many non-elderly adult participants are subject to SNAP work requirements. Certain groups are exempt, such as people working at least 30 hours per week, or caring for a young child. Participants who are subject to the general SNAP requirements, under age 50, and not living with children must fulfill additional work requirements, such as participating in a qualified employment and training program. Those who do not comply are subject to time limits on SNAP receipt. States are allowed to provide exemptions to the time limits for up to 15 percent of their case load subject to time limits. States also may apply for waivers from the time limits for

participants living in areas with a high unemployment rate, or an insufficient number of jobs. Currently, seven states, the District of Columbia, and the two territories are approved for a state time limit waiver, and 27 states have waivers for certain areas.

The SNAP quality control data show that the majority of SNAP participants do not fit the criteria for being subject to work requirements. In Fiscal Year 2014, 88 percent of SNAP participants were exempt, most because they were children, elderly adults, or individuals with a disability. Among those who were subject to work requirements, only ⅓ potentially faced time limits because they were not participating in an employment and training program, or otherwise fulfilling the additional work requirements. The majority of those facing time limits received a state exemption, or were in a waiver area. In all, just over 200,000 individuals a month were not meeting the requirements, and so were receiving time-limited benefits.

One of the tools that USDA uses to examine categorical eligibility, time limits, and other state options is microsimulation modeling. Additional sophisticated data sets and tools could further advance the use of evidence and decision-making about SNAP at both the state and Federal levels. An example of a new resource is the data sets being created by the Census Bureau, in cooperation with USDA and states, that link state SNAP administrative data to survey data. Moreover, new analytic tools, such as rapid cycle evaluation, can help states determine whether the policy options they put in place have the desired effect on program access, administrative costs, and benefit accuracy.

As Congress continues its full scale review of SNAP, sophisticated data and tools can lead to more informed decision-making, and a new perspective on the populations that the program is intended to help. Thank you.

[The prepared statement of Ms. Cunnyngham follows:]

PREPARED STATEMENT OF KAREN CUNNYNGHAM, SENIOR RESEARCHER, MATHEMATICA POLICY RESEARCH, WASHINGTON, D.C.

What the Data Reveal About State SNAP Options

Thank you, Chairman Conaway, Ranking Member Peterson, and Members of the Committee for the opportunity to testify on state options in SNAP.

I am an associate director of the data analytics division at Mathematica Policy Research and the director of a project that measures SNAP access, trends, and impacts.[1] For over 3 decades, Mathematica has been conducting related projects for the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA). As part of the current project, we develop and maintain the SNAP microsimulation models that FNS uses (1) to assess proposed changes to SNAP, (2) to develop annual budgets, and (3) to conduct supporting research. Mathematica also prepares the edited SNAP quality control (QC) data files, which are the primary source of information on the characteristics of the SNAP caseload. The data are used to assess the composition and demographic and economic characteristics of SNAP households and to measure the potential effects of legislative changes to program rules on SNAP participants. The annual SNAP QC databases are publicly available on USDA's website.[2]

Through a variety of policy options, states have the ability to adapt SNAP to best meet the needs of their low-income populations and improve the efficiency of their

[1] Project team members Katherine Bencio, Esa Eslami, Kelsey Farson Gray, Sarah Lauffer, and Joshua Leftin, and additional Mathematica staff Steve Bruns, Scott Cody, Jennifer de Vallance, and Carmen Ferro contributed to the preparation of this testimony.

[2] *https://host76.mathematica-mpr.com/fns/*.

SNAP operations. Such policy options allow states to simplify the application and eligibility determination process, streamline program administration, and expand SNAP eligibility within certain parameters. (The *Appendix* provides an overview of selected options and the number of states using them over time.) States also make choices about their employment and training programs and have some flexibility in determining which adults age 18 to 49, without disabilities, and living in households without children are exempt from time limits on SNAP benefit receipt. An evaluation currently underway is testing innovative strategies for increasing employment and earnings among SNAP participants and reducing their dependence on SNAP and other public assistance programs. The ten pilot programs offer diverse services and target different groups of SNAP participants. Findings from the evaluation will give policymakers and program administrators insight into effective strategies for increasing employment and earnings and decreasing public assistance.

In my testimony today, I will demonstrate ways in which SNAP QC data and other resources may be used to analyze how the policy options selected by states affect the SNAP population. I will focus on two sets of policy options—those affecting the resource and income thresholds used to determine SNAP eligibility and those affecting work requirements and time limits. At the end, I will mention additional tools and opportunities for continuing to build the evidence base to help ensure that the program is efficiently and effectively serving the target population.

State Vehicle Rules and Broad-Based Categorical Eligibility

Federal SNAP eligibility policies limit the amount of income and resources that SNAP participants may have. However, through policy options, states have some latitude to adopt the eligibility criteria they deem best for their jurisdictions. For example, under Federal rules for determining whether a household's resources are below the applicable threshold, the value of some household vehicles is counted toward the resource limit. States, however, may align SNAP vehicle rules with vehicle rules for a TANF (Temporary Assistance to Needy Families)—funded program as long as the latter rules are less restrictive than the Federal SNAP rules. Currently, all but four states (Delaware, Minnesota, North Dakota, and Washington) and one territory (the Virgin Islands) have aligned their vehicle rules for SNAP households that face a resource test with those governing another state program. In doing so, 29 jurisdictions exclude all vehicles from the SNAP resource test. The remaining jurisdictions have aligned their vehicle rules with programs that (1) exclude one vehicle per household, person, or adult; (2) exclude $10,000 to $15,000 from the equity or fair market value of one or more vehicles; or (3) rely on a combination of the above.

States also have the option to use certain broad-based programs that provide a simple service—a TANF-funded brochure on domestic violence, for example—to confer categorical eligibility on a large number of households. In some states, households participating in narrowly targeted, noncash TANF-funded programs such as work support or child care may also be categorically eligible for SNAP. Given that categorically eligible households are not subject to the Federal income and resource limits, the SNAP application and eligibility determination process is simplified for such households. However, benefits for categorically eligible households are determined under the same rules that apply to other eligible SNAP households and are based on household income. Accordingly, some households may be categorically eligible for SNAP but not qualify for a SNAP benefit.

Thirty-nine states, the District of Columbia, Guam, and the Virgin Islands have established broad-based categorical eligibility (BBCE) programs. States have some flexibility in setting the eligibility criteria for the noncash benefit provided by these programs. Five states (Idaho, Maine, Michigan, Nebraska, and Texas) currently impose resource limits between $5,000 and $25,000 on some households while the rest have eliminated the resource test. (Pennsylvania used a resource test from mid-2012 through mid-2015.) Thirteen states have retained the Federal SNAP gross income limit for most households without an elderly member or a member with a disability, 28 states or jurisdictions have raised the gross income limit to between 160 and 200 percent of the Federal poverty limit for those households, and one state, New Hampshire, raised the gross income limit for households with a child age 21 or younger.

In *Table 1,* we show the average monthly percentage of SNAP households in FY 2014 that met Federal income guidelines, including pure public assistance households, and the percentage that was eligible only through state expanded categorical eligibility policies. Nationally, 3.3 percent of SNAP participants in FY 2014 had income higher than the applicable Federal income thresholds. Among these households, 47 percent had income greater than the Federal gross income threshold; 39 percent had net income over the Federal limit; and 14 percent would have failed both the Federal gross and net income tests. In states that used a higher gross in-

come limit for households without an elderly member or a member with a disability, almost five percent of participants would not have passed the Federal income tests.

Table 1. SNAP Households by Eligibility and Presence and Type of State Categorical Eligibility Policy, FY 2014

	Total SNAP households (000s)	Percent that passed Federal income tests	Percent that would have failed Federal income tests
All	22,445	96.7	3.3
State had no broad-based categorical eligibility policy	2,816	99.9	0.1
State used Federal gross income limits for most households without an elderly or disabled member	6,665	98.5	1.5
State had a higher gross income limit for most households without an elderly or disabled member	12,911	95.1	4.9
State had a higher gross income limit for households with a child age 21 or younger	53	94.3	5.7

Source: FY 2014 SNAP QC data file.

As seen in *Table 2,* less than one percent of all SNAP benefits went to households that would have failed the Federal income tests but that were eligible for SNAP through state expanded eligibility policies. The average monthly benefit for these households was $58 compared to $260 for households meeting the Federal income criteria. Among states that used a higher gross income limit for most households without an elderly member or a member with a disability, 1.2 percent of SNAP benefits went to households eligible only through state eligibility expansions.

The average monthly benefit for households that would have failed Federal income tests but were eligible for SNAP through state expanded eligibility policies was $58 compared to $260 for households meeting the Federal income criteria.

The discussion thus far has focused on categorically eligible SNAP households that would fail the Federal income tests. Additional categorically eligible households would pass the Federal income tests but fail the Federal resource test. Because the SNAP QC data do not contain information on the resources of most categorically eligible households, other data must be used to estimate the latter group. In work for FNS to estimate SNAP participation rates, we use a regression equation estimated on data from the Survey of Income and Program Participation (SIPP) to predict the probability that households meeting Federal income guidelines would fail the SNAP Federal resource test. We estimate that an additional 4.7 percent of SNAP participants would not have met the Federal SNAP resource test. In all, we estimate that about eight percent of SNAP participants were eligible solely through state expanded categorical eligibility options.

Table 2. SNAP Benefits by Eligibility and Presence and Type of State Categorical Eligibility Policy, FY 2014

	Total benefits ($000)	Average benefit ($)	Benefits going to households that passed Federal income tests		Benefits going to households that would have failed Federal income tests	
			Row percent	Average ($)	Row percent	Average ($)
All	5,689,647	253	99.2	260	0.8	58
State had no broad-based categorical eligibility policy	724,699	257	99.9	258	0.1	113
State used Federal gross income limits for most households without an elderly or disabled member	1,700,361	255	99.7	258	0.3	48
State had higher gross income limit for most households without an elderly or disabled member	3,253,279	252	98.8	262	1.2	59
State had higher gross income limit for households with a child age 21 or younger	11,308	215	97.4	223	2.6	96

Source: FY 2014 SNAP QC data file.

Work Requirements

States also have some options about the employment and training programs they offer andwhich SNAP participants face time limits. Many working-age SNAP participants are required toregister for work, accept suitable employment if it is offered, not voluntarily quit a job or reducework hours, and participate in an employment and training program if the state agency makes aprogram referral. Exceptions are made for individuals determined to be:

- Mentally or physically unfit for employment.
- Employed at least 30 hours per week.
- Responsible for the care of a dependent child under age 6 or an incapacitated person.
- Attending school at least half-time.
- Complying with TANF work requirements.
- Receiving unemployment insurance.
- Participating in a drug addiction or alcohol treatment program.

SNAP participants who are subject to the general SNAP work requirements and are (1) age 18 to 49, (2) residing in a SNAP household without children, and (3) not pregnant are generally subject to time-limited participation unless they fulfill additional work requirements. Specifically, these individuals are restricted to 3 months of SNAP benefits in any 36 month period unless they (1) work or participate in a qualified employment and training program for at least 20 hours per week or (2) participate in a workfare program for the number of hours equivalent to their SNAP benefit divided by the minimum wage. Participants are exempt from the time limit if they live in a waiver area or have been granted a discretionary exemption by the state. States may apply for waivers for certain geographic areas, including the entire state if applicable, if (1) the area has an unemployment rate exceeding ten percent or (2) the state can demonstrate with other economic criteria that the proposed waiver area has an insufficient number of jobs to provide employment. States are allowed to provide discretionary exemptions for up to 15 percent of their SNAP caseload subject to the time limit.

The American Recovery and Reinvestment Act (ARRA) allowed states to suspend time limits on benefits from April 2009 through September 2010. Subsequently, states that met the criteria for extended unemployment insurance benefits continued to have the option of suspending time limits. Currently, only seven states, the District of Columbia, Guam, and the Virgin Islands are approved for a statewide waiver of time limits. Another 27 states have time-limit waivers approved for certain areas of the state.

The majority of SNAP participants do not fit the criteria for being subject to work requirements and time limits. The group subject to time limits is particularly small, in part because members of the group may receive SNAP benefits for only a short period. In FY 2014, a monthly average of 87.7 percent of SNAP participants were not subject to work requirements (*Table 3*). The majority were children (44.2 percent of all participants), adults age 60 or older (10.1 percent), or individuals with a disability (9.7 percent). Almost ⅔ of SNAP participants subject to work registration, or 7.8 percent of all SNAP participants, were not subject to time limits. The majority of work registrants not subject to time limits was over age 49 or residing in a SNAP household with a child. Among the 4.5 percent of all SNAP participants potentially subject to time limits, 80 percent, or 3.7 percent of all participants, were in a waiver area or received a state exemption. (In FY 2014, 42 states qualified for a statewide time-limit waiver.) Half of the remaining one percent of SNAP participants (a monthly average of 203,000 individuals) did not meet work requirements and therefore were receiving time-limited benefits.

Table 3. SNAP Participants Subject to Work Requirements and Time Limits, FY 2014

	Number (000s)	Percent
Total SNAP participants	**45,874**	**100.0**
Not subject to work requirements	**40,246**	**87.7**
Under age 18	20,271	44.2
Over age 59	4,651	10.1
With a disability, as defined by SNAP rules	4,461	9.7
Employed at least 30 hours per week or minimum-wage equivalent	3,690	8.0

Table 3. SNAP Participants Subject to Work Requirements and Time Limits, FY 2014—Continued

	Number (000s)	Percent
In SNAP household with child age 5 or under or person with a disability (one caregiver per SNAP household)	2,983	6.5
Receiving cash TANF or unemployment compensation or reported as participating in non-SNAP employment and training program	929	2.0
Enrolled at least half-time in a qualifying school or training program	39	0.1
Reported as exempt from work registration for other reason	3,222	7.0
Subject to work requirements	**5,628**	**12.3**
Not subject to time limits	**3,563**	**7.8**
Over age 49	1,106	2.4
In SNAP household with a child	1,899	4.1
Reported as not subject to time limits for other reason	558	1.2
Subject to time limits	**2,065**	**4.5**
Employed at least 20 hours per week or minimum-wage equivalent, or reported as meeting work requirements	184	0.4
Reported as in a waiver area or receiving a state exemption	1,678	3.7
Receiving time-limited benefits	**203**	**0.4**

Source: FY 2014 SNAP QC data file.
Note: Sets of subgroups are mutually exclusive.

In FY 2014, the average monthly percentage of a state's population subject to work requirements ranged from fewer than three percent in Delaware, Massachusetts, and Oregon to over 20 percent in Florida and Michigan (*Table 4*). The percentage subject to time limits varied from less than ½ a percent in Maryland, Massachusetts, and Nevada to nine percent or more in Florida, Georgia, and Mississippi. The average monthly benefit per person was higher for participants subject to work requirements ($162) and subject to time limits ($178) than the average benefit per person for all participants ($124).

Table 4. SNAP Participants Subject to Time Limits by State, FY 2014

	Total SNAP participants (000s)	Percent subject to work requirements	Percent subject to time limits	Percent receiving time-limited benefits
All	**45,874**	**12.3**	**4.5**	**0.4**
Alabama	893	14.4	6.1	0.0
Alaska	87	16.7	6.2	0.0
Arizona	1,011	10.1	1.4	0.0
Arkansas	476	12.8	5.3	0.0
California	4,256	13.6	6.0	0.0
Colorado	497	6.2	2.0	0.8
Connecticut	428	19.1	0.7	0.0
Delaware	149	2.4	2.0	1.1
District of Columbia	140	12.7	5.1	0.1
Florida	3,526	20.9	10.6	0.0
Georgia	1,784	19.5	9.0	1.2
Guam	46	0.1	0.1	0.0
Hawaii	191	13.6	6.1	0.0
Idaho	208	4.4	1.8	0.0
Illinois	1,954	11.1	7.5	0.0
Indiana	877	11.7	3.9	0.0
Iowa	405	7.5	2.1	1.7
Kansas	293	8.7	1.9	1.5
Kentucky	803	19.2	8.9	0.0
Louisiana	874	15.9	6.1	0.0
Maine	229	9.8	4.8	0.0
Maryland	779	7.1	0.0	0.0
Massachusetts	853	2.4	0.3	0.0
Michigan	1,664	21.4	6.8	0.0
Minnesota	521	8.2	3.5	2.5
Mississippi	655	19.7	9.1	0.0
Missouri	853	8.3	3.3	0.0
Montana	121	16.0	4.5	0.0
Nebraska	172	5.0	0.8	0.5
Nevada	375	11.8	0.4	0.0
New Hampshire	108	6.0	1.4	1.1
New Jersey	874	9.0	0.8	0.1
New Mexico	426	5.8	4.5	0.0
New York	3,039	9.5	1.2	0.3

Table 4. SNAP Participants Subject to Time Limits by State, FY 2014—Continued

	Total SNAP participants (000s)	Percent subject to work requirements	Percent subject to time limits	Percent receiving time-limited benefits
North Carolina	1,555	12.6	5.1	0.0
North Dakota	53	7.7	2.1	0.7
Ohio	1,732	11.7	4.3	3.0
Oklahoma	592	12.7	3.1	2.0
Oregon	782	2.6	1.5	0.0
Pennsylvania	1,782	8.5	2.6	0.0
Rhode Island	174	18.5	7.6	0.0
South Carolina	832	17.5	6.7	0.1
South Dakota	99	10.0	3.8	0.9
Tennessee	1,303	19.2	4.9	0.0
Texas	3,838	7.1	1.5	1.1
Utah	227	6.0	1.1	0.8
Vermont	92	4.6	1.6	1.1
Virgin Islands	28	12.3	4.0	0.0
Virginia	914	13.6	4.3	3.0
Washington	1,085	3.7	2.0	0.0
West Virginia	354	14.2	0.8	0.0
Wisconsin	831	7.3	2.7	0.1
Wyoming	35	7.9	1.2	0.9

Source: FY 2014 SNAP QC data file.

Additional Tools for Assessing Effects of State Options

In addition to the SNAP QC data, microsimulation models can provide policymakers with valuable insights into the potential effects of program changes on SNAP eligibility, participation, and benefits. For example, the models can estimate the effect of changes to SNAP resource limits or income deductions. Mathematica has developed two models for FNS—one based on the SNAP QC database and another based on SIPP and Current Population Survey Annual Social and Economic Supplement data.

Even more sophisticated data sets and tools could further advance the use of evidence in decision making about SNAP at both the state and Federal levels. An example of a new and valuable resource is the data sets being created by the Census Bureau in cooperation with USDA and states that link state SNAP administrative data to survey data. These data sets allow USDA to better understand the circumstances of SNAP participants, including how individuals who live together form SNAP households and, in some cases, the resources available to SNAP participants. Moreover, new analytic tools, such as rapid cycle evaluation, can help states determine whether the policy options they put in place have the desired effect on program access, administrative costs, and benefit accuracy. As Congress continues its full-scale review of SNAP, more sophisticated data and tools can lead to more informed decision making and a new perspective on the populations that the program is intended to help.

APPENDIX

Table A.1. Selected State Options and Number of States Using Them Over Time

	States using option		
	Oct. 2003	June 2009	Sep. 2013
Broad-based categorical eligibility	8	27	43
SSI combined application projects	5	15	18
Income and resources:			
Vehicle policy for noncategorically eligible households:			
SNAP rules	9	4	5
Some additional vehicles or vehicle value excluded	27	20	19
All vehicles excluded	17	29	29
Align income and/or resource exclusion with TANF or Medicaid	24	44	32
Simplified determination of cost of doing business		16	19
Child support expense excluded from gross income	6	13	18
Deductions:			
Simplified deduction determination (non-monthly expense averaging)	4	7	9

Table A.1. Selected State Options and Number of States Using Them Over Time—Continued

	States using option		
	Oct. 2003	June 2009	Sep. 2013
Standard medical deduction		7	14
Simplified homeless housing cost	25	27	25
Mandatory standard utility allowance	30	44	47
Program disqualifications:			
For not meeting requirements of other program	13	19	24
For failure to cooperate with child support enforcement	5	6	7
For drug felony	41	34	32
Life-time ban	21	15	15
Modified ban	20	19	17
For failing to comply with work requirements			
Extended beyond statutory minimum	14	14	12
Entire household disqualified	14	13	9
Disqualification permanent after third occurrence	3	1	2
Requirements for reporting changes in household circumstances:			
Simplified requirements for reporting changes	35	50	53
Act on all changes known to the agency	18	34	38
Transitional benefits	10	19	21
Employment and training pledge states	18	11	6
Online application		25	43
Call centers		27	34
Regional		15	9
Statewide		12	25
Document imaging		20	41
Process improvement waivers:			
Elderly and disabled re-certification interview			12
Electronic notices			7
Postpone expedited service interview			9
On-demand interview			9
Modernization initiatives			51

Source: USDA State Option Reports and additional correspondence with FNS and state agencies.

The CHAIRMAN. Well, I thank our witnesses. The chair would remind Members they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. And I appreciate the Members' understanding. I recognize myself for 5 minutes.

Ms. Muth, in implementing the category eligibility, states have the flexibility to set the gross income limits at up to 200 percent of poverty. Texas has set an income limit of 165 percent of the Federal poverty level. Can you walk us through some of the factors that Texas used to determine that particular level?

Ms. MUTH. Absolutely, and I also just want to add that Texas does apply the assets limit of the $5,000 as well to this population. And in Texas, this was an example of a change that came out through a legislative direction. So we did have state legislation in the early 2000s that directed the agency to implement the policy, and defined the level at which it would be implemented.

The CHAIRMAN. So it is a state statute that sets the limit at 165 percent, and the asset test at $5,000?

Ms. MUTH. Correct.

The CHAIRMAN. Were you around when the legislature went through that exercise?

Ms. MUTH. I actually was not. This was an exercise in research that I had to do in preparation for today, to pull up the legislative history.

The CHAIRMAN. All right. Ms. Cunnyngham, speaking of that asset test, you said there are five states that currently impose them, somewhere between $5,000 and $25,000. What is the benefit for a state to not test assets when determining SNAP eligibility, and could waiving this test hurt the integrity of the program? You need your microphone.

Ms. CUNNYNGHAM. It is an interesting question. That states can benefit by waiving the resource test means they don't need to collect any information on resources. So there is an administrative burden that is lifted there. There is not enough data currently to know whether that is the appropriate balance between administrative ease and other policy options. We don't know the asset holdings of current SNAP participants. With better data, we would be able to determine whether that correct balance has been struck.

The CHAIRMAN. All right. Ms. Cunnyngham, you said there are approximately 1.5 million households that do not meet the Federal income requirements, and that they average about $58 month for the benefit. That is about $87 million a month. Is that an accurate statement?

Ms. CUNNYNGHAM. Correct.

The CHAIRMAN. Okay. All right. I now yield now to Mr. Scott, for 5 minutes.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Chairman. First of all, it is important for us to note that there are 1.7 million veterans that depend upon SNAP. And this is according to the CBPP, which is the Center on Budget and Policy Priorities. In every state, thousands of struggling veterans use SNAP to put food on the table. Low-income veterans, many unemployed, some working in low wage jobs, many disabled. And on top of that, many who are returning from military service return minus a leg, minus an arm, suffer from mental problems, and they face serious challenges in finding work. But 1.7 million should gravitate this nation to realizing this is more than a national crisis. It is a national disgrace. It is very, very important that we recognize this as one of the primary challenges that we face.

Stars and Stripes reported that food purchases paid for with SNAP at commissaries tripled from 2008 to 2011. Feed Our Vets, a nonprofit group that establishes food pantries for veterans, has estimated that nearly three million veterans and their families don't get enough food to eat each month. This is devastating. SNAP is a critical support for our heroes, and it is very important that we understand how important SNAP is. I also want to call attention to this Committee that the Farm Bureau has an excellent program called The Patriot Project. It is a mentorship program that connects military veterans, beginning farmers and ranchers, with experienced Farm Bureau members who are farmers and ranchers. This way, veterans who want to be involved in agriculture will be able to learn firsthand from an experienced farmer.

This is a creative approach to that, much like many of us here in Congress are doing to reach another group, the African Americans, with our 1890s land-grant universities, to increase the opportunities for young students to be able to get the kind of scholarship and aid to go into agriculture, and into business. I say that because we have to do a better job of lifting agriculture up to the significant

level of importance it is, and no statistic emphasizes this more than 1.7 million veterans, and their families, depending upon it, and their struggle. So I wanted to mention those in my opening.

I have a minute left, so, Ms. Stacy Dean, you work with the Center on Budget and Policy Priorities. Much of the information that I just mentioned comes from you. In your testimony you mentioned that Congress, and the policy of Congress, must not do things to undermine SNAP's success. What things might you be talking about? Would block grants be one of those?

Ms. DEAN. Yes, Congressman, Our organization would be deeply concerned if SNAP were converted to a block grant. If its funding were capped, and couldn't respond to need, I believe the Ranking Member used words I wouldn't, but he called it an *unaccountable slush fund.* It is a little strong, but that is, in fact, what we have seen in TANF. And, of course, it is a shrinking pool of funding available for states to meet the needs of poor children and families. So that would be of deep concern. But also I would imagine, for this Committee, the ability to divert benefits away from food to other purposes, which we have also heard about as an idea, would be of deep concern to us.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. Mr. Goodlatte, for 5 minutes.

Mr. GOODLATTE. Thank you, Mr. Chairman. I appreciate you holding this hearing, and I just want to say at the outset that unless we reform programs like the SNAP Program, and a number of other entitlement programs, there is going to be a shrinking supply of funds for all of these programs, given the fact that we now have $500 billion to $1 trillion annual deficits, totaling a $20 trillion national debt.

But, Ms. Muth, I wanted to ask you a question about Texas. You mentioned that your state has shown interest in photo IDs on EBT cards. Massachusetts and Maine have implemented this option, to certain levels of success. What have been some conversations around this option?

Ms. MUTH. During the last legislative session we had a proposal, and there is continued interest. During the last session it did not pass. I think one of the barriers is that there is a cost to implement that. There is a cost to have that photo ID on each of the cards. And so Members of our legislature are watching very closely the experience in states that have implemented it.

The other issue is that the retailer at the point of sale does not limit purchases to the individual that is pictured on the card, and so the impact of having the photo is more of a deterrent, a potential deterrent effect, which is also difficult to measure in that cost-benefit analysis, is that something that we want to invest in, in Texas? But there does continue to be interest, and we are watching the experience of the other states closely.

Mr. GOODLATTE. And you indicate in your testimony that Texas has implemented an identity verification process in the online application, but, due to Federal restrictions, the applicant has the option not to complete it. Can you elaborate on what Federal restrictions are in place preventing states from seeking more complete online applications?

Ms. MUTH. Absolutely. There is a provision that requires us to count an application as filed with the state with only the elements of name, address, and signature on that. And the thought behind that is that file date is when the benefits start for the individual, if an eligibility decision is made. But when you are in an online environment: first of all, in Texas, we have a lot of people that have the same name, so it is very difficult to identify somebody by just name, address, and signature. We would like to have that ability.

The Federal citation is there in the written testimony. I think there is a happy medium of you don't necessarily need people to complete every element on a lengthy application, but we could require additional elements that would help us make sure we validate identity. Just like we do for an individual who applies for a bank loan, you ask questions based on third party data sources to confirm the identity. Because we are not seeing these people in our office.

Mr. GOODLATTE. Well, let me ask a question of Ms. Dean about this. So many states are now utilizing, in fact, a majority of states are utilizing online applications, and over the phone initial interviews. Why are the states heading in this direction, and what has been the outcome, as states have made their way to this model?

Ms. DEAN. There are two reasons. First is the technology is there, that it is workable, and can help support states' business efforts. I don't think 10 years ago, or 15 years ago, the technology would have allowed states to take online applications the way that they are. And second, the recession really drove states to innovate, to find ways to do more work, given that so many more families were at their doors, with less. And it is not just online applications, it is document imaging. So if all documents are scanned, that means that you don't just have to work with an office, or a unique case worker who has your paper file. You can call, and wherever the available work resource is in the state, your work can be diverted to them. So states are getting very innovative.

I will just say, on identity proofing, a back-end option to validate identity in order to reduce verification burdens on clients is really interesting, and Texas and Florida testing that is terrific.

Mr. GOODLATTE. Well, let me ask Ms. Cunnyngham, I understand the administrative efficiencies that can be obtained through the use of categorical eligibility. However, nearly four million people are eligible for SNAP through these policies that do not meet Federal requirements. Are there ways in which we can retain these administrative efficiencies while more closely aligning these policies with Federal requirements? And I will ask Ms. Dean to respond to that, as well as Ms. Cunnyngham.

Ms. CUNNYNGHAM. I will answer, again, that it is difficult to know without more data. Right now it is hard to determine whether we have struck the correct balance. So I will say that people who are actually receiving a benefit are receiving the certain benefit criteria set by the Federal Government. So people need to have low enough income to receive a benefit. However, if you are interested at looking at their resources, we need more information to know whether we are striking the right balance on that.

What is interesting is that states have chosen a variety of options. Of the states that have chosen broad-based categorical eligi-

bility programs, five of them do impose a resource limit. Of the states that aren't, seven of those states actually don't count the value of all vehicles. So there is a lot of information out there. It would be interesting to talk to states, find out why they made the choices they did, what administrative costs they avoided or incurred that way, and what the results were.

Mr. GOODLATTE. My time is expired, but let me just say that it is easy to make decisions when the Federal Government has to come up with the resources to pay for it. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. Ms. Fudge, 5 minutes.

Ms. FUDGE. Thank you very much, Mr. Chairman. Thank you all for being here today. Ms. Dean, in your testimony you mentioned that most states do choose to operate SNAP's 3 month restriction as a time limit where individuals are cut off from assistance, despite their willingness to work. You characterize this as one of the harshest options within the SNAP program. Can you please explain a little bit more?

Ms. DEAN. Sure. First I would say the Federal statute obligates states to impose a 3 month time limit on individuals between the ages of 18 to 49 without children. They have to be working 20 hours a week. Working 18 hours a week, you would still be limited to 3 months of benefits. States have an option to waive the rule in areas of high unemployment within their state. Every state, except Delaware, at some point since the rule's origin has waived out part of their state. Because of very high unemployment, they don't believe that individuals there could legitimately find a job within 3 months.

Another quick reason why they waive out is the work test that Congress—and I should just say not this Committee, it arose as a floor amendment in the 1996 welfare law, the work test that is set for those individuals is quite extreme. It is a 20 hour a week slot, and job search does not count. Most states don't have the funds available to create work slots for these folks, and they don't, and therefore it is a time limit. Often they will waive the rule because they want to create a more meaningful work engagement for these folks, to actually test their willingness to work, and help build their skills.

In your own state, unfortunately, I know the City of Cleveland qualifies for a waiver due to its high unemployment, but surrounding county, Cuyahoga, does not. And as a result, even though you are a county administered state, and a lot of authorities devolve to counties, made the election for Cuyahoga not to waive the City of Cleveland.

Ms. FUDGE. All right. But you would think, then, since you know a little bit about my state, 75 percent of all of the minorities in the state live in our largest counties, like the cities I represent, Cleveland and Akron. However, when the governor sought a waiver, he only sought it for rural communities. Does that make any sense to you at all?

Ms. DEAN. Well, the way I interpret the state's choice was that they only sought waivers for the entirety of counties. I know that Lima, Toledo, and Dayton, are also cities that qualify, but the gov-

ernor chose not to waive out those cities because he couldn't waive the entire county.

Ms. FUDGE. So he was looking more at land than at people?

Ms. DEAN. I can't speak to his decision.

Ms. FUDGE. I mean, it just doesn't make any sense. We want the states to have these authorities, but then the states make decisions that are not based upon the highest need.

Ms. DEAN. Right. And, of course, if the county was able to waive individuals in the city, *versus* the balance of the county. There could be an administrative reason not to do it, but in the case of Cuyahoga, that wasn't the case.

Ms. FUDGE. So that is why I am so afraid about doing something like block granting SNAP to states, because they make those kinds of decisions. It is interesting to me that we look at ABAWDs as the least deserving among the poor. We really do. We put them in a category that is almost separate and apart from everybody else that ever uses SNAP. Your organization has estimated nearly one million people would be cut off SNAP as a result of these time restrictions, these limits. Describe the unique realities of what we are doing when we put a million people off of SNAP.

Ms. DEAN. Right. That is this year, in 2016. At least ½ million, and potentially up to a million individuals who will be cut off the program as a result of this time limit. This is an extremely poor group. While on the program, their incomes are about 20 percent of the poverty line. They have very limited education. Many of them are working, but they are not working 20 hours a week. They have no other form of support. There is no cash assistance. Half the states don't offer medical assistance to them through the Medicaid expansion, and they just face extraordinary barriers. One group I would call out are ex-offenders. Those with a felony conviction will face enormous barriers to entry into the workforce, and so taking away their food assistance doesn't make it easier for them to find a job, and potentially risks their positive re-entry.

Ms. FUDGE. Well, the other problem is that we have so many restrictions on what ex-felons can do. Most ex-felons can't even come to most states and get a license to cut hair, or to do anything else that they are probably capable of doing.

Ms. DEAN. Yes.

Ms. FUDGE. So we make it more difficult for them to find work, based on all the restrictions that we put in law. Thank you. Mr. Chairman, I yield back.

The CHAIRMAN. The gentlelady yields back. Mr. Lucas, 5 minutes.

Mr. LUCAS. Thank you, Mr. Chairman. Ms. Muth, please continue along with the discussion that has been going on here with my good colleague from Ohio, my understanding is Texas has pledged to offer a qualifying work slot in 2016 to every able-bodied person without a disability, of course, subject to the 3 month time limit, which is, obviously, a very noble and impressive goal. I assume this is accomplished through your SNAP E&T program. The National Commission on Hunger's report discussed the complex rules covering E&T, and recommended easing those rules to give states more flexibility to find work and work related things. Visit with us for a moment, have you found the current rules to be big

challenges in accomplishing Texas goals, and what is your perspective on more flexibility in the program?

Ms. MUTH. I should clarify one thing. In the State of Texas, we have a unique arrangement in that we have an entire agency, the Texas Workforce Commission, that is focused on all of the employment services, and so they actually administer the SNAP E&T Program, so I can't offer you my opinion on that particular issue, but I would be happy to follow up with my sister agency and provide their perspective on that question.

Mr. LUCAS. So your observation, looking across the bureaucratic way, how has their success affected the number of people in your program?

Ms. MUTH. It is very difficult for me to respond to that question. I think they have been extremely successful in assisting people in finding employment services across the various programs that we interact with them on from both TANF and the SNAP Program. But it is just not an area that I have any direct knowledge with.

Mr. LUCAS. Absolutely. For a moment, Mr. Chairman, I would like to note my colleague's concerns about block granting the programs. Sir, being one of the Members on this horseshoe that has been around for a little while, this was a major discussion in 1996 in the farm bill. And at that time, in that unique environment, it almost happened. But the Chairman at the time made the decision, as my memory serves me, sitting on this Committee way down there, not to proceed. And that is the only time that it has really ever almost come to fruition, a very long time ago, in a different kind of an environment. But clearly, until we get the national economy moving forward, and more opportunities exist, the necessity for these programs are going to exist.

And with that said, I realize every state implements its standards a little differently. Texas, at 165 percent of the poverty level, Oklahoma at 130, we have a different perspective there. As the good lady alluded to earlier, different asset requirements in Texas than in Oklahoma. That was one of the issues in 2012 that the lady and I worked on, was trying to standardize a few things, and received great pushback from a variety of directions, and was not accomplished. But reform is necessary, and making sure the good folks that benefit from the programs are not subjected to the program barriers is ultimately our goal. And, with that, Mr. Chairman, I would yield back.

The CHAIRMAN. The gentleman yields back. Mr. McGovern, 5 minutes.

Mr. MCGOVERN. Thank you very much. And I am sorry the gentleman from Virginia, Mr. Goodlatte, left, because he suggests that we need to reform this program because of the deficit, and all of our budgetary problems. I want to remind him that SNAP is one of the most efficiently and effectively run programs in our Federal Government, with one of the lowest error rates of any program. If we want to deal with the deficit, maybe we ought to talk about reforming the Department of Defense. Some of their contracting practices, quite frankly, leave a lot to be desired.

But we are talking about food. This is what this is about. And the notion that we are going to impose more requirements, more hoops for people to jump through in order to somehow lower the

number of people who can take advantage of the SNAP Program, to me, is cruel. The gentlelady, Ms. Fudge, talked about the ABAWD situation. We are talking about veterans in that category too, people who fought for our country. And because they are single adults, and they can't get enrolled in a work training program, and they can't find a job, we are going to throw them off a food benefit. I can't think of anything more cruel, and more ungrateful than that.

And so when we talk about reforming the program, what we ought to be thinking about is how do we make sure that people in this country who are needy have access to this benefit? And by the way, the gentleman from Virginia mentioned the photo ID program. I am from Massachusetts. Believe me, it is expensive, and there are lots of problems, and it has caused lots of confusion. So if anybody is thinking of going down that road, I am happy to talk to you about some of the problems.

This is our 12th hearing on SNAP since the start of last year, and we have heard the word *flexibility* thrown around. That is the favorite word around here, and I worry about what that really means. It means one thing to me, it means something else to some of my other colleagues. I worry that it is code for *block grants*. I think that would be a disaster. I think it would be catastrophic. Block granting, or cap funding, or merge funding, whatever you want to call it, would be a mistake. It would undermine one of the fundamental strengths of the program, which is that it can respond quickly and effectively in times of great disaster or economic downturn.

If you want to get people off of SNAP, then we ought to get this economy going. We ought to make sure that we are investing in job training, that we are investing in jobs. Maybe we ought to be talking about raising the minimum wage to a livable wage, because the majority of people on SNAP who are able to work, work. I mean, some of them are working more than one job, and they are earning so little that they are still in poverty, and they still have to rely on this benefit. What the hell else do we want them to do? Now, having said all of that, I should also remind people that the benefit itself is woefully inadequate, $1.40 per person, per meal, per day. Sometimes, the way we will hear it talked about here, you would think that it is the most overly generous benefit that you could possibly imagine.

Now, I understand that states already have a number of options available to them that they can use to make sure that everyone who is eligible for SNAP is enrolled, but the problem is that many of the states aren't even aware of these options, and don't take advantage of them. So there is already flexibility within SNAP to help states enroll eligible families to feed the hungry. Ms. Dean, in your testimony you elaborated on the options and flexibility that already exist. Maybe you could identify one or two of the most important, but underutilized options?

Ms. DEAN. Sure, thank you, Congressman. I think a recent option that has been made available that states aren't necessarily aware of, because it crosses over SNAP to Medicaid, is that in Medicaid, when a family is up for renewal, the state is actually supposed to look at available data that it has, before asking the family,

in order to determine whether the family stays eligible. They actually have the ability to go into SNAP records and say, based on that robust assessment of eligibility, and all the data that we have on who this family is, and where they live, and what they are earning, we can use that in order to, as Ms. Muth said, use third party information to just automatically renew their Medicaid.

I want to make sure folks understand, there is a high degree of rigor there. But importing that information over ensures continuous coverage in health insurance. And given the extraordinary overlap between SNAP and Medicaid, those are the two programs with the most overlap, finding ways to do more there is really important.

But I think that our issue there is that FNS, as part of USDA, and CMS, as part of HHS, are not always cognizant of each other's programs, and they don't always know how to engage states. Actually, Ms. Muth and I were having coffee this morning, and talking about that very problem, that there is a lot of experimentation in service delivery and Medicaid that FNS isn't always aware of, and might be more cautious than their sister agency.

I think another area is senior service. There is actually an obligation on the Social Security Administration to help low-income seniors apply for SNAP at Social Security, and my assessment is that they are not doing as much as they could to help poor seniors apply at SSA, and therefore not have to go down to the local welfare office. And I would love if the Committee would consider exploring that issue, and how to improve service to seniors.

Mr. MCGOVERN. Thank you very much.

The CHAIRMAN. The gentleman's time has expired. Mr. Yoho, 5 minutes.

Mr. YOHO. Thank you, Mr. Chairman. I appreciate you all being here, and I want to thank everybody for taking the time to come here today and provide your testimonies. What I would like to focus on is the issue of how states can further crack down on the SNAP fraud and abuse, and I will talk about this and clarify this. In my home State of Florida, concerns have consistently been voiced by leaders at the Department of Children and Families that while there is a significant qualitative data on fraud, it is virtually impossible to quantify.

And I just want to echo what Chairman Goodlatte's comments in regards to our ensuing financial crisis that somehow we seem to ignore up here. And knowing that about 80 percent of the 2014 Farm Bill is dedicated to the nutritional programs, what I would like to hear from you is the best ways we need to reform not just the nutritional program, and we are looking at all programs, and not just in ag, but across the board, because this is a situation, as he pointed out, we are not going to have a choice. It will not be an option in 4 or 5 years if we don't address it now.

And in the State of Florida we talked with our people that administer this program, and they put in the work requirement, as you know, 1st of January. From January to the end of February, the people that were on SNAP that had work requirements instituted at the beginning of the year, less than eight percent have resigned up for the SNAP programs. And then we look at what happened in Maine, and 85 percent of their enrollment went down.

And we know what happened in 1996, when Bill Clinton reformed the welfare program. So it was the largest drop in our history, and the largest reform, and it was because of the work requirements.

And I guess my question is, Ms. Muth, can you speak of the issues—that is not the question I have for you. Have you heard of any state, or in your state, have there been any detrimental effects from work requirements for SNAP on the individual or a family?

Ms. MUTH. So, again, In our agency we don't administer the work requirement piece, but from the eligibility side, I am not aware of any issues. And, if I may, can I speak a moment to your issue of fraud?

Mr. YOHO. Please.

Ms. MUTH. Because I do believe that states, just like in the private-sector, there is a wealth of information that is available. If your credit card is compromised, your credit card company knows immediately that there is suspicious——

Mr. YOHO. Boy, they sure do.

Ms. MUTH.—purchasing activity, before you do in most cases. And really, we have an opportunity, and states are doing more and more of this, to apply those same technological skills, and use that same technology, like, on EBT purchases. So when you see patterns that are potential fraud, that it will alert the state that we need to investigate. Not just at the individual level, but also at the retailer level. And so technology opens up so many tools in preventing and detecting fraud that we are beginning to utilize more and more.

Mr. YOHO. Let me ask you that, since you brought that up, who would be best to do that? Would that be state, or is that something that should be farmed out to a credit card company, or somebody that can do that, and they do it efficiently, and they do it right now, real time?

Ms. MUTH. In the State of Texas we recently went through a new procurement for our EBT system, and that is one of the tools that we are getting. And it is a financial company that is going to be our EBT vendor. So it is the same technology that they are applying. Obviously the patterns are different, the algorithms are different, but it is the same technology, so they come with that.

Mr. YOHO. Right.

I appreciate your input. Ms. Dean, let me ask you, since you are on a national scene, let me ask you that same question. Have you heard of any body that has been required to have the work requirements? And we have seen the results in Florida. Granted, it has only been 2 months, and I am sure more people will sign up, but with, like, the State of Maine, where you saw an 85 percent reduction, or going back to 1996 under Bill Clinton, when he enacted the welfare reform, are there any reports that show the detrimental effect on an individual, or a family, and if so, can you state those, and give me maybe written testimony on that?

Ms. DEAN. Sure.

Mr. YOHO. Or direct me in the right direction?

Ms. DEAN. Absolutely. I think the concept of a work requirement, I share the Congressman's belief and the Center has always believed that work requirements are very reasonable. The question is whether what we are asking of the individual is something that

they can do. When they don't comply, is it because they failed to comply, or is it because they refused to comply? And I think that that is where we often see an extraordinary mismatch, we ask someone to do something they are simply not capable of doing, and then they face the penalty because we made a mistake.

Mr. YOHO. Okay. I am out of time, and I need to yield back, but I also asked them about the work requirement. If you are looking for a job, they said that does qualify for the work requirement, in our state.

Ms. DEAN. I can follow up with you. It does in January. It won't in April.

The CHAIRMAN. The gentleman's time has expired. Mr. Aguilar, 5 minutes.

Mr. AGUILAR. Thank you, Mr. Chairman. Ms. Dean, I appreciate the data that you shared with us today about the benefits of the program. Over here, sorry. Unfortunately, some like to portray the SNAP program as a Federal benefit that incentivizes low-income individuals to support themselves through Federal funds rather than seeking employment, and the data shows that difference. However, I have always believed that the SNAP program is a Federal benefit that serves as a bridge to help families out of poverty.

Your research demonstrates some of the incredible outcomes in the program, and in your written testimony you cite evidence that demonstrates caseloads for SNAP are declining as the economy improves. Additionally, the data shows that the SNAP program helped keep millions out of poverty, including 4.9 million children in 2012. So, looking forward, how do you foresee the SNAP Program evolving as economic times continue to improve, and what role will SNAP play in building a more financially stable future for low-income families? I am interested especially on the economic side, which your data shows every $1 of increased SNAP benefits results in $1.70 in economic activity.

Ms. DEAN. Sure, thank you. Well, as the economy improves, and most importantly as poverty declines, we have seen elevated poverty, despite an improving unemployment rate. The number of people who quality for SNAP will go down, and as a result we will see a decrease. SNAP caseloads have been declining, albeit slowly, for the last 2 years, but preliminary data from the last few months suggest actually it will be coming down at a more rapid clip. And I suspect that that relates to an improved economy.

So if we have fewer eligible, fewer people need the program. However, we are serving more eligible people in the program. The program is much more successful at reaching needy people, particularly low-income seniors and working families. Those are the groups that are participating at higher rates. I don't think we want to do anything to compromise those gains, so if we are now serving 80, 85 percent of eligible people, hopefully we can continue to do better in reaching under-served groups. So that will still be there.

And what we will see, again, if the economy truly does improve, and heats up in a way that we would all like, the program will be going to individuals and communities, as it always does, but those that most need it. And it will remain a powerful support for those families and communities. But hopefully there will simply be fewer folks who need it, because the economy improves.

Mr. AGUILAR. Thank you. Ms. Muth, talking about technology, you have talked about that in response to a few of the questions earlier. I am interested to learn about the mobile app that you touched on, and that your testimony mentions, the self-service side. With 1.2 million documents uploaded in 2014, I am curious about the rollout process not only for the users, but on the staff side, and specifically, Ms. Dean talked about under-served communities, including low-income seniors. How have seniors responded to the online application piece? And if we have time left, I will ask you about the appeals process, and how that works within the interface. Go ahead.

Ms. MUTH. Okay. So I will start with the mobile app. Obviously, any of the technology tools that we offer are optional, so you don't have to provide information to us through a mobile app. But we did research to look at why are people coming into our office, and, again, we have to be efficient. We are running a business. So what are those non-value added tasks, both for us, and for the individuals that we serve, that are occurring? And ⅓ of the people that came into our office were coming in just to drop off documentation, which then, as Ms. Dean mentioned, we image that so that information is available, and we can distribute workload across the state.

Well, there is a cost to imaging that document, so we thought, well, if you are going to deposit a check with your bank, I no longer have to go to the bank. I can use a mobile app, I can take a picture, and that image is right there for the bank to process. And we applied that same concept to our mobile app, and it is a tool that is available.

So the vast majority of people are still not utilizing the mobile app, but for those that do, it can save them a trip to the office, and it is efficient for the state because we don't have to pay our vendor to produce that image, and we don't have to touch the document. It is just automatically associated with their case. A worker gets notified, we have been provided this documentation, and they can complete that eligibility determination.

So we built a business case around what things would be a value add both for the state and for the client in offering the product.

Mr. AGUILAR. And as the use for devices goes up, then hopefully that piece as well, helping you reach your timeliness of responses as well. That was an interesting part of your testimony. Thank you so much.

Ms. MUTH. Absolutely.

The CHAIRMAN. The gentleman's time has expired. Thanks, Pete. Mr. Gibbs, 5 minutes.

Mr. GIBBS. Thank you, Mr. Chairman. Ms. Muth, I want to talk to you about something, in your testimony you talk about SNAP balances, and trying to expunge those balances. The reason I am so interested in this, in Ohio, one of my local media TV stations did a little exposé, and they found out we had some people on SNAP balances, some as high as $22,000–$23,000, trying to figure out how to address that.

So I see in your testimony that your agency requested, and was denied, a waiver to expunge the SNAP benefits on active accounts that have been available for at least 12 months. So do we need to

pass some Federal legislation, what is Texas trying to do to address this balance issue, and what are your limits and limitations? What do you need, exactly?

Ms. MUTH. I believe it is a change in regulation that is required, and we must have had the same reporter move from Texas to your state, because we had a similar number of exposés, which attracted a lot of interest. I think the limitation right now is if an account is not an active account, you can expunge those benefits, but active accounts we can't.

Mr. GIBBS. Okay. Thanks for the clarification, inactive, what is the definition of——

Ms. MUTH. If you use that account even once in that 12 month period, that is considered an active account. So that is sort of the limitation that we have.

Mr. GIBBS. So currently if somebody hasn't used their account in a 12 month period, you can expunge those——

Ms. MUTH. That is correct.

Mr. GIBBS. Okay.

Ms. DEAN. Can I just jump in on——

Mr. GIBBS. Okay.

Ms. DEAN. The 2008 law is very clear that states can take the account offline after 6, and then they must expunge after 12, but it is the activity that is the issue.

Ms. MUTH. Yes.

Mr. GIBBS. Okay.

Ms. DEAN. I will say that, to the extent that there is a problem, and the balances that you describe are clearly an issue, but where there are smaller amounts, states often find that it is senior and disabled households who actually don't know how to access their account. Maybe they thought they were supposed to get a second card in the mail. So what we would like to see is to make sure states are engaging with the household on why aren't you using it, then you could revisit the expungement rule.

Mr. GIBBS. Yes.

It would be reasonable to have some dollar amount, $5,000, I don't know what that is, I am just throwing it out. And if it has been more than 6 months, that would be reasonable to say that states could freeze those accounts, and require those people to contact them and find out what is going on.

Ms. DEAN. Yes, and USDA is encouraging that, but it is not obligated under the statute.

Mr. GIBBS. Okay.

Ms. MUTH. And that is freezing an inactive. I think that it is also that question of what the activity levels are, and how old those benefits are. So I certainly think there is opportunity to tweak how that is currently done today.

Mr. GIBBS. Well, another question, the obvious question, since you had this issue in Texas, when I am sure Texas and Ohio are not unique to the country on this issue. It must be nationwide. How in the world does anybody get those kind of balances?

Ms. MUTH. And I think that is the big question that erodes the integrity of—that is what our public asked. If you need SNAP benefits, obviously there is not trafficking going on in that case, because they are accumulating very large benefits. But if you meet the eli-

gibility requirements, why wouldn't you need to be utilizing those benefits. I think there are some situations, as Ms. Dean mentioned, where people might not be fully aware of the amount, but there certainly are a small number of cases where you see extremely large benefits that aren't explained by that explanation.

Mr. GIBBS. Yes. Well, you raised the question about eligibility criteria, parameters. Would you have a suggestion or a recommendation, maybe, that the—we need to dig in deeper to the eligibility, and I want to make sure the people that need the help are getting it. But, when you see balances like that—and it is not, in the scheme of things, it is a handful of people, but it is pretty good sized dollars in the aggregate.

Ms. MUTH. Right.

Certainly, we want to look at those cases for what is going on in that case, it is a red flag, or an alert for potential fraud. I think the issue is less on the front end, and more on what is happening in that individual case, because there are a handful of those that there is really no logical reason for why you should have accumulated such large balances.

Mr. GIBBS. Now, would you agree with me that the states, since this program is funded total—100 percent by the Federal Government, and then states kind of, at least in Ohio, administer through the counties, the states don't really have an incentive to really be involved anyway. Is that typical in Texas too?

Ms. MUTH. We have some skin in the game, with the 50 percent of the administrative cost, and, certainly, in our state our philosophy around the programs is that we believe that it is taxpayer dollars, and whatever the source, that we want to maintain the integrity of the program.

Mr. GIBBS. Well, I appreciate your testimony bringing this to light, because we need to try to figure this out so people that need the help get it. I yield back. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. Ms. Adams, 5 minutes.

Ms. ADAMS. Thank you, Mr. Chairman, and thank you very much each of you for your testimony. As many of you are aware, Congresswoman DeLauro and I are circulating a letter stating Member opposition to SNAP being converted to a block grant program as part of any budget resolution. So I would encourage other Members to join the 60+ Members who are already on the letter, if they haven't done so.

Ms. Dean, the State of North Carolina has decided to stop all waivers for SNAP work requirements for ABAWDs by July of this year. And while many states no longer have blanket waivers due to lower overall unemployment, there are still areas of the 12th District, that I represent, where jobs are just not available. What flexibility is North Carolina giving up by not requesting waivers for areas experiencing high unemployment?

Ms. DEAN. Well, they are certainly giving up the flexibility to provide food assistance to very poor, unemployed individuals. And they are limiting the flexibility of local food banks by increasing the number of folks who need to turn to them, possibly having to ration food across more folks.

But, most fundamentally, what they are taking away from themselves is the ability to engage these folks in meaningful work programs, job training, and job search. Again, the work rule under the time limit, which is very different than what Mr. Yoho was talking about, in terms of employment and training, is a 20 hour a week engagement with no, or extremely limited job search. That is expensive for states to pull off, and they could much more meaningfully engage these individuals and help them with employment if they weren't facing the pressure of the time limit.

Ms. ADAMS. Thank you. In a written report by your organization, it mentions that the SNAP program already has a strong work incentive. For every additional dollar a SNAP recipient earns, their benefits decline by only 24¢ to 36¢, 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. So how can we model the already strong work incentive for the SNAP Program for other income support programs?

Ms. DEAN. Thank you, that is a great question. Medicaid shares SNAP's work incentive, in the sense of if you go to work, earn more, your benefits are not put immediately at risk, in terms of health coverage, and that is very powerful. But other programs that are capped, or where the funding is only available to serve one in four or one in six eligible people, as someone gets a job, often very quickly the benefits could be taken away. Let us say someone loses a job. If you are receiving child care assistance when you have had employment, and then you lose the job, child care could be cut off. But, of course, that undermines your ability to go look for work and get another job.

Taking a more holistic view of wanting to support and incent work, and ensuring that we cover working families, the fundamental way to do that is by financing the programs, not capping them.

Ms. ADAMS. Thank you. Ms. Dean, we have discussed in previous hearings that many states do not offer a standard medical expense deduction for seniors and the disabled to document their true costs of living when they apply or re-certify for SNAP benefits. In states that do offer a standard medical deduction, have you seen more seniors claiming the deduction in order to increase their monthly SNAP benefits?

Ms. DEAN. Yes, and so this is a part of the program where seniors, or people with disabilities, can deduct their medical expenses, because the cost of those expenses can obviously impede their ability to purchase food. So not all households, but just seniors and people with disabilities can deduct those expenses.

It is actually a very complex area of the law, and when we look at the number of seniors on the program, and who are claiming medical expenses, it is extremely low, much lower than you would expect. And it is just very hard. The statute is actually pretty complicated about what it takes to claim those expenses. So states have come up with a way to simplify it and make it easier to demonstrate that they have out of pocket medical expenses, and the take-up there is great. That having been said, seniors need detailed, robust engagement. They need help through the process,

and so what works best with them is actually supporting them through the application effort.

Ms. ADAMS. Okay. You have documented that SNAP benefits have consistently not kept pace with the rising cost of food. So how would switching to the low cost food plan permit those recipients to more adequately put food on the table through the end of the month?

Ms. DEAN. The Thrifty Food Plan, the basis of the SNAP benefit assumes a very meager diet, and heroic assumptions about how much time families have to cook, shop, and really extreme assumptions about what they are buying, relative to the rest of America. A more realistic food plan, including a Low Cost Food Plan, would put more nutritious, healthy diets, within reach of families on this program.

Ms. ADAMS. Thank you. I am out of time. Thank you, Mr. Chairman.

The CHAIRMAN. The gentlelady's time has expired. The Chairwoman of the Subcommittee on Nutrition, Mrs. Walorski.

Mrs. WALORSKI. Thank you, Mr. Chairman. And hello to you, the two of you that have been here before us. Good to see you again. As you know, I chair the Committee's Nutrition Subcommittee, which has been central to the review process of past, present, and future of SNAP, so I want to thank you for being here, and for returning for your second debut as well, I appreciate your expertise.

One thing that has stood out to me as we have been talking together, and taking this comprehensive look at SNAP, is that we are all in this together. Everybody is a shareholder. Federal Government, state government, not-for-profits, private-sector, researchers, recipients, everybody has a role to play in this issue of lifting Americans out of poverty and onto the economic ladder. So no one has a monopoly on good ideas. In fact, state governments, not-for-profits, and the private-sector are crucial incubators, and we have heard time and time again, crucial incubators of innovative ways to fight hunger and poverty. And flexibility does matter, it is important, because it allows them to tailor programs to respond to the needs of their individual states.

So my question, Ms. Muth, is to you. Our review of SNAP has shown the great value of partnering with all of these entities, the state governments, the private-sector, the researchers, and all the shareholders. And can you just talk a little bit about the partnerships, and the impact they have had when you are administrating Federal programs locally? And then to what extent have you utilized these partnerships at the state level to maximize resources? And the positive and negatives of both.

Ms. MUTH. Okay, absolutely. Well, I will talk about the private-sector, in the traditional sense, first. We have a number of contracts that support our eligibility process. And as I was talking about, EBT being an area that we have vendor support, and you are able to bring in the expertise of financial industry, that is not something that the state agency has. And so I think that those contractual relationships that we have for entities that support ours and the program bring new perspectives, and it is part of the whole program administration that we have in Texas.

But we also have a large number of partnerships with entities at the local level. In Texas we have about 1,500 community partners, and these are non-financial agreements that we have with entities who are already providing assistance to individuals. And they are providing assistance with things like the job search, or helping address underlying mental health issues, or they are providing case management services, and so providing them access to SNAP is one of the tools in their case management toolbox. So we partner with those 1,500 organizations.

For those individuals, they used to bring us paper applications. Today they are community partner sites, and they make the online application, the mobile app functionality, available to individuals across the state.

Mrs. WALORSKI. And when you are partnering you are sending, then, all those resources down to the front line, and it sounds like you are doing what we have heard about, and what we have been talking about, this holistic approach. So when somebody does fall through the so-called safety net, then basically your partnerships, if I understand this correctly, are basically there to make sure there is an underlying net that makes this program then run more efficiently. Prior to the partnerships, do you have data that you can look at and say, wow, since we have been partnering with all these agencies, look how much more efficiently we are delivering this, or look how much better holistically we are taking care of families? Is that true?

Ms. MUTH. I don't have data to indicate that. I think those partnerships existed. It wasn't really a partnership. There was a relationship.

Mrs. WALORSKI. Yes.

Ms. MUTH. And it became really clear to us in Texas, when we had significant delays in processing eligibility, because food banks came to us and said, while it is taking you this long, we can't keep food on the shelves because people are coming more to us. So there is a natural relationship there that we just sort of formalized in those partnership agreements.

Mrs. WALORSKI. Okay. I have one quick question. You talked about the most common SNAP household recipient is female, between 18 and 49, with kids under 12 years of age, has some form of income, receives a monthly benefit of $274. Can you recommend to this Committee what you think would best assist the majority of this population? What is the best thing we could possibly do, if we could make a move to assist that woman?

Ms. MUTH. I think part of it is just changing our practices, and not expecting everybody to be able to arrange for child care, and transportation, and time off of work to come in to those eligibility offices, and having the convenience of technology so that they can provide information to us, contact us, 24 hours a day, 7 days a week through the online self-service.

Mrs. WALORSKI. Okay. I appreciate it. Thanks, Mr. Chairman. I yield back.

The CHAIRMAN. The gentlelady yields back. Mr. Costa, for 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman, and I want to welcome the witnesses, and thank you for being here. Members of

the Committee, I am sure, as you are aware this is the 12th hearing that we have held on the Supplemental Nutrition Assistance Program, otherwise known as SNAP, in the 114th Congress. Each hearing has had a distinguished panel, and what I am trying to determine is what the objective is? Why we have we had a preponderance of hearings on the SNAP program. And I must admit that I am increasingly concerned about the potential intentions, as it relates to the future farm bill. I am concerned that there is going to be a policy recommendation to leadership that in the next farm bill we dramatically cut SNAP, and there should be adjustments as it relates toward it, but I don't think we ought to be throwing the baby out with the bath water, no pun intended.

My district is one of the richest agricultural districts in the country, but it is also, with that significant wealth, has a lot of poverty. A cut would be devastating, and directly equate to taking food out of the mouths of children and families in my district. The irony is that a lot of these folks are some of the hardest working people you ever met in your life, who are working to produce the food that goes on America's dinner table. And many of them are out of work today as a result of the drought conditions and the regulatory programs that have compounded the drought conditions.

California's San Joaquin Valley, which I have the pleasure of representing, has an unemployment level that is nearly twice that of the national average according to the Bureau of Statistics. And as it stands today, I sadly must tell the Members of this Committee and the witnesses that there are 50,000+ households receiving SNAP benefits in my district. The statewide snapshot of SNAP in California indicates that there are 278,000 households that are receiving food stamps in California, and 50,000 of them are in my district, almost 20 percent. If you want to understand the snapshot of those households, 79 percent have a child that is under 18. And 15 percent of those households have one or more persons that are 60 years or older. This is dramatically impacting the Valley, obviously, because of a combination of other factors, as I stated earlier. Fields are being left unplanted as a result of the drought, and jobs are at a premium. Now is not the time to be considering taking food away from families in the San Joaquin Valley, or throughout the nation.

Are we satisfied with the *status quo?* Absolutely not. Are there alternatives to dealing with this? Yes, and let me speak of one. My friend Pete Weber, who has taken the leadership with local governmental agencies has formed the Fresno Bridge Academy in my district, and it is one of several programs around the country that has taken advantage of the 2014 Farm Bill Employment and Training Pilot Program that I urged very hard to make a part of that farm bill to reduce dependency. One of the last graduating classes at the Bridge Academy saw 77 percent participating SNAP clients come from unemployed to becoming employed; 18 months later, 83 percent of the clients had obtained employment or job advancement, and 32 percent had achieved self-reliance. I believe states' best options are to develop and fund innovative programs like the Fresno Bridge Academy, designed specifically to truly help people move to independence. That said, my question is, with all due respect, what

are we doing? What are the efforts intended to be with this Committee in the outcome of these hearings?

So finally, Ms. Stacy Dean, I would like to ask, what can states do to develop additional programs like the Fresno Bridge Academy, because clearly we want to get people off assistance. We want to get people independent and self-reliant, and that ought to be the goal and the intention, regardless of how many hearings we have.

Ms. DEAN. Well, I don't mean to joke too much, but actually cloning the Fresno Bridge Academy would be terrific, because not every state has such a terrific local partner that runs such a high quality program. So finding ways to replicate is important. USDA actually just announced, in the last day or 2, that they are providing more robust technical assistance for ten new states to bring up their employment and training programs. I say bring up, employment and training may be significant, but a lot of it is focused on job search and workfare, and not how do——

Mr. COSTA. Actually getting people into the jobs?

Ms. DEAN. Right, and giving them the support and intervention that they need to move up into the workforce. So cloning first, but then more learning.

Mr. COSTA. Thank you very much. My time has expired, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. Mr. Allen, 5 minutes.

Mr. ALLEN. Thank you, Mr. Chairman, and thank you, to our distinguished panel, for being here, and talking about this important program. Obviously, we had tremendous growth in this program, and now I see that we are making progress, as far as reducing the number of folks on this program. In fact, I was with a group yesterday that are involved in a food pantry program, and one of the concerns that I had in, and this is in south Georgia, that they serve about 3,000 children, but there are another 56,000 children that they think that might not be served. And then the other thing that I thought was important was that of those 3,000 children served, all of them have so far gotten a high school education through the food pantry program.

Are there similar programs, and I will just throw this out to the panel, do you see the potential, as far as changing the cycle through education, and then, obviously, moving these folks onto the workforce, and then getting them off of this assistance?

Ms. MUTH. I think absolutely that there are a lot of programs around the country, and much of that occurs at the local level, where organizations are having that direct contact with the families, and provide more. We talked a little bit about how they have the ability to provide a little more of the holistic case management to identify the underlying needs of the family, and SNAP being a tool in the toolbox to assist them on that path to self-sufficiency.

Mr. ALLEN. Are there any statistics out there that you have, as far as the SNAP Program, and then the ability, well, we know children, and your testimony here has provided that children do better in school and socially if they are not hungry. So what are your trends showing, as far as the impact that you are having on children, and their ability to get a good education, and then to get a good job?

Ms. DEAN. If I may take that one?

Mr. ALLEN. Yes.

Ms. DEAN. In my testimony I summarized the results of a recent study that was published that took a look at SNAP when it was being rolled out in the late 1960s and early 1970s. That was the only time in history where we could compare children who, as young children, or while their mothers were pregnant with them, received SNAP *versus* did not.

And when you looked at the long-term outcomes for those individuals who were able to participate in then food stamps, it is really astonishing. High school completion rate was 18 percent higher amongst children who, when they were very young, were able to participate in SNAP. That is an extraordinary outcome for a basic food benefit for young kids. And, similarly, their health outcomes were also impressively much better off than those who did not. So I do think it is very important to think of this as a long-term investment in education.

Mr. ALLEN. Yes. As far as your statistics go, obviously the longer you are on these programs, the more dependent you are. And what are we doing, obviously, we are seeing progress with our children, and doing the right thing, as far as making sure that they are fed, that they have the ability to get their work done, and then, like you said, move out of this cycle. But do you see any potential as far as older folks, in what we are able to do to move them off these programs?

Ms. DEAN. Well, the individuals who participate in SNAP, it is a very dynamic group. The majority of folks experience a temporary downturn in their personal circumstances, they use the program, and they move on.

Mr. ALLEN. Yes.

Ms. DEAN. They get that job, and their family situation improves, their child is no longer sick, whatever the situation is.

Mr. ALLEN. Yes.

Ms. DEAN. That is a very dynamic group. There is also a group that is simply earning wages that are very low, or a senior who has a Social Security benefit that we cannot expect to increase. The 70 year old is not going to earn more funding.

Mr. ALLEN. I am just——

Ms. DEAN. You have to think about them differently.

Mr. ALLEN.—just about out of time, but obviously the economy has not been robust for some time now. In fact, it is the longest period of stagnation in some time. But obviously you see a big difference when we have a growing economy, and the wages are growing, and people are able to move up into higher wages, and then eventually become independent?

Ms. DEAN. Absolutely.

Mr. ALLEN. Okay. All right.

Ms. DEAN. Absolutely.

Mr. ALLEN. So we have just have to get the economy growing?

Ms. DEAN. Just that.

Mr. ALLEN. Okay.

Ms. DEAN. Right.

Mr. ALLEN. I yield back.

The CHAIRMAN. The gentleman's time has expired. Mrs. Kirkpatrick, 5 minutes.

Mrs. KIRKPATRICK. Arizona's one of the six states that has a full ban on non-compliance with drug testing, and I just would like your thoughts about what that does to families in Arizona. I don't know who wants to answer that. Whoever wants to answer.

Ms. DEAN. You are talking about drug testing and the cash assistance?

Mrs. KIRKPATRICK. That is right. There are six states that have a full ban.

Ms. DEAN. Right.

Mrs. KIRKPATRICK. Arizona's one of them.

Ms. DEAN. First of all, there is a question to the state in terms of the cost of the drug testing, given the very low positive results that are found. And several studies have found that it is an extremely expensive policy for what is found. But the real question is what is the purpose of the drug testing? Is it withdrawing cash assistance or fundamental support from extremely poor families, because Arizona's cash assistance rules are pretty strict. Withdrawing funding from that family and basic support, are those children better off, is the individual with a substance abuse or addiction problem getting the help that they need? And that is the measure of success, and not something that we are necessarily seeing in the states that have applied the test.

Mrs. KIRKPATRICK. And hunger is a real problem in Arizona. We have a higher incident rate of hunger among children. On the Navajo Nation, over 76 percent of the people suffer from food insecurity. So I am really pleased to see that Arizona has been selected to receive the specialized technical assistance to improve their SNAP E&T Program. And my question is, for Ms. Dean, can you explain how this program will help Arizonans get SNAP and back to work?

Ms. DEAN. I believe I just mentioned this a second ago. There is an organization in Washington: Seattle, Washington, called the Seattle Jobs Initiative that has a pretty amazing proven track record in opening up workforce training programs to very poor individuals and families. Traditionally, a lot of the workforce and job training programs run by Labor Departments can be closed off to some of the poorest families, and the ones most in need of that basic training in order to move up the economic ladder.

But, the Seattle Jobs Initiative seems to have cracked that nut, and USDA has contracted with them to offer technical assistance to states outside of Washington who are interested in finding a way to design programs that work for the SNAP population that they most want to help. So appropriate to local conditions, appropriate to the individuals that they are selecting, because we think about moms with enormous barriers to work quite differently than someone with a deep job history. You would just go about helping them differently. And, of course, responsive to local conditions. Are there jobs there? Are they talking to employers about the skills that are needed? This program has been terrific, and we are thrilled USDA is offering their help to ten more states, and I am glad Arizona is one of them.

Mrs. KIRKPATRICK. Thank you, and it really is about jobs. It is all about jobs.

Ms. DEAN. Yes.

Mrs. KIRKPATRICK. I was happy to hear the idea about using technology to allow them to get online to make their applications and supplement their information. Here is the problem I have. I have a huge rural district in Arizona, much of which does not have broadband coverage. And so is there anything that you are aware of what is being done to address that?

Ms. MUTH. We certainly have similar issues in Texas. And while I don't have the answer for that, over time that is becoming less and less of an issue. But while there are not immediate answers to that, it is still an option, it is not the requirement. But I think that for most people it is an option that most people would like to take. And so we have definitely seen a big difference over the past 10 years in Texas, and I look forward to that continuing to improve in rural areas.

Mrs. KIRKPATRICK. We are seeing some progress, but still a lot of work to be done. It is a top priority of mine for many reasons. So thank you very much for your testimony today. I yield back.

Ms. MUTH. Yes.

The CHAIRMAN. The gentlelady yields back. Mr. Newhouse, 5 minutes.

Mr. NEWHOUSE. Thank you, Mr. Chairman, and, Ms. Muth, Ms. Dean, Ms. Cunnyngham, thank you very much for being here and discussing this important topic of finding different options available to states for implementing SNAP.

I have a question for each one of you, so that 5 minutes goes by really quickly. I just wanted to, first of all, and this is for Ms. Cunnyngham, but maybe Ms. Dean, since you brought up Seattle. I am from the State of Washington. As you know, we have a very robust SNAP employment and training program. It is known as the Basic Food Employment and Training, or BFET. It is a collaborative public-private partnership that provides a range of skills to SNAP beneficiaries, things like advanced employment, interview help, education skills, even down to what is the proper workplace attire for people that are looking for work, and other things.

It has been very successful. From April 2011 to December 2014 it has more than a 65 percent success rate of helping people find work within 24 months, at fairly good wages, actually, comparatively. So whoever could contribute to this, could you discuss the range of E&T options that are available to states, ranging from fully funded Federal programs to the 50/50 program match funds? And also, do many states take advantage of that 50/50 match program? And also, not to tout our own program, but can you give me a sense of which states have a better rate of helping SNAP beneficiaries find work?

Ms. DEAN. You should tout this program. It is terrific. We really think it is a shining star amongst the state offerings. But it took Washington, with a very concerted and focused effort, several years to figure out how to open up, again, these broader workforce services to the SNAP-specific population. I think what distinguishes the program in many respects, and I should say USDA sends many

states to go to visit to Washington. They run an annual training for other states who are interested in how to do this.

One is thinking about who are we targeting? Again, individuals who are temporarily unemployed *versus* someone who has been out of the workforce for years, folks with different educational ranges, and also where they live, and what jobs are available. Thinking first, about who am I focused on, and what types of services do they need? And is there a match between the services this individual needs, and what is available in the community? Individuals are also allowed to volunteer. They are working with highly motivated individuals who want this help, so that has a lot to do with the success rate, because they are motivated, and there is a great connection, and a service that is appropriate for the individual.

So your broader question about what do we know about other states' programs, actually very little, and that is why it was so terrific, in the 2014 Farm Bill, that the Committee, along with some other changes that it made to employment and training with the demonstrations required that USDA work with states to set up performance metrics, so that there would be more regular and routine reporting appropriate to what the state was running, not consistent across all 50 states. We will have a better sense of what is working well. Most states run job search and workfare, and most states use their Federal funds, and some 50/50 funds, but they do not leverage as much as they could.

Mr. NEWHOUSE. Okay. Thank you very much. And I don't mind you singing the praises of my state, but they are doing a good job, so I appreciate you saying that.

Ms. DEAN. Yes. They are.

Mr. NEWHOUSE. Ms. Muth, the current farm bill included a pilot program known as the Food Insecurity Nutrition Incentive. The grant program is intended to help SNAP beneficiaries obtain access to fruits and vegetables. I have heard the San Antonio Food Bank received a grant last year. Can you talk about the rollout of this program, and its impact on nutrition outcomes for SNAP beneficiaries?

Ms. MUTH. I am not familiar with the details of the program, since that is a relationship directly with the San Antonio Food Bank and the USDA, but I will say that is an issue of great interest from everyone within the state, from the community-based organizations to even retailers in Texas are interested in how we incentivize those nutritious options for SNAP recipients.

Mr. NEWHOUSE. Okay. Yes, I am just interested to see how well it has worked around the country. But, like I said, 5 minutes goes by really quickly, but I appreciate all of you being here and contributing to this conversation. Thank you. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentleman yields back. Mr. Nolan, 5 minutes. Mr. Benishek, 5 minutes.

Mr. BENISHEK. Thank you, Mr. Chairman. Welcome. Thanks for being here. Many of my constituents ask me the same thing every time we talk about SNAP, okay, and I am just going to the work requirement, fraud, and how would somebody transition out of SNAP when they get a job? So those are the three things that come up whenever I speak to constituents, or when they bring it up to

me. And I understand some of the questions that are brought up, somebody wants to work, but can't find a job. The people that I talk to are concerned about the people that don't want to work, but are staying on the rolls. How do we differentiate that, I mean, and what are the things that we could do to help people that actually want to work be still eligible for the program? Can you talk about that? Ms. Muth, what are they doing in Texas?

Ms. MUTH. In Texas, the work portion of the SNAP Program is administered by another agency, but I do think that most of our recipients do have some type of employment. And for those that don't, there are requirements that they participate, and the time limits. And Ms. Dean may be able to give you a better picture of that from across the state.

Mr. BENISHEK. Ms. Dean, do you have any input there?

Ms. DEAN. Well, first, the program's eligibility rules allow low wage workers to participate in the program. So, for example, a family of three, their monthly gross income needs to be below $2,200 a month, so there are many, many families who are working and participating in the program. My colleague just reminded me that about 87 percent of families are either working in the year before or the year after SNAP participation, so it is not just while they are on the program. We have workers who are in and out of the workforce who then avail themselves of the program. So there is a high connection to work for folks on the program.

But I just want to spend a minute, or a second, given the time, also just calling out that we do have a growing number of extremely poor families in this country, the folks who are living below 50 percent of the poverty——

Mr. BENISHEK. Well, no, I am all for the people that are really poor, and who are unable to find work, to access the program. That is why we want to be sure that there are enough funds to help those people.

Ms. DEAN. Yes.

Mr. BENISHEK. But not the people that I talk to see this all the time, where people are turning down work to stay on the program. How do we sort that out?

Ms. DEAN. Yes. We constantly, in this program, fight the individual anecdote, but I will——

Mr. BENISHEK. Well, I talk to restaurant owners, for example, that are looking for waitresses.

Ms. DEAN. Yes.

Mr. BENISHEK. The can't find a waitress. That seems like a pretty good entry level job for someone who doesn't have a job, but they can't find a waitress who is willing to stay for any period of time because they lose their benefits. So I am trying to figure out how do we make this work so that people who——

Ms. DEAN. They lose their benefits meaning they are——

Mr. BENISHEK. Well, I don't know exactly why they are not taking the job, but they don't stay on the job.

Ms. DEAN. Right.

Mr. BENISHEK. Okay? There are some employers that are looking for a waitress, which is not a skilled job. That is a job that somebody could learn and be good at without a lot of formal training. And, to me, it seems like a good access to the workforce job.

Ms. DEAN. Yes.

Mr. BENISHEK. So how do we make this easier to determine whether you can't get a job or you don't want a job?

Ms. DEAN. Well, I think that is the incredible challenge. Certainly doing more to connect available jobs to SNAP employment and training, to making sure that the employers are telling SNAP where the jobs are so that participants know where the jobs are is one step. But, it is difficult. The individual you are talking about, someone who is work avoidant, could appear that way when, in fact, we also have many, many individuals who are homeless, who do not have child care, who might not have——

Mr. BENISHEK. Well, I know, but, that is not the case of the people that I am talking about. Because, I talk to people a lot in my job, because I go around to the district, and talk to people about what their issues are, and that is not what you bring up, okay? It is not anecdotal. It is a real problem. So I want to see the needy people get the benefit and make it work, but we haven't come up with a good answer here in Committee about this sort of problem. And, unfortunately, I am out of time. The 5 minutes goes really fast.

The CHAIRMAN. The gentleman's time has expired. Mr. LaMalfa, 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. Just as a preface here, concerns expressed earlier in the Committee about, again, the reason for these hearings, being like a prelude for the next farm bill making cuts to the program. That is kind of not helpful in what we are really trying to do. A big part of our job should be, and is, government oversight of any program or government operation, whether it is this Committee, or Defense, or any other committee's venue. We are just looking for solutions to make any program go better and have the people that are the beneficiaries and users of it benefit more, and better use it. I don't enjoy that that gets spun into other things sometimes, so we want all of our government customers, as we are—as we serve them, to do better.

So, that said, Ms. Muth, in our review of SNAP so far, this Committee has learned a lot about the value of public and private partnerships, and the impact it can have when administering a Federal program at the local level. So has this been utilized fairly widely with regard to SNAP in these partnerships, and what are the things that might be improved or made more useful by the public-private partnerships?

Ms. MUTH. In public-private partnerships, we have a number of partnerships, and sometimes I hate to call a contractual relationship a partnership, but we contract with a number of private companies that play a role in part of the SNAP delivery. So, as I mentioned, EBT would be one area where we are able to draw on expertise, financial expertise, that we don't have within the state. And then we have a number of partnerships that occur at local level, with a variety of organizations. We are a big state in Texas. We are a state administered program, and so sometimes as we sit in Austin, we are far away from what is happening in those local communities. But when we partner with organizations——

Mr. LAMALFA. You know, the Texas delegation is always reminding us how big Texas is.

Ms. MUTH. Yes, I know. We have to. We have done a number of things, I mentioned the community partner program. We also have a partnership with the food banks in Texas, and we do have a demonstration waiver with USDA, where food banks are able to do some of that initial data collection.

Mr. LAMALFA. So, I am sorry, the time thing is always——

Ms. MUTH. Yes.

Mr. LAMALFA.—but we will—so by and large it is pretty positive——

Ms. MUTH. Absolutely.

Mr. LAMALFA.—and using local infrastructure, and bang for the buck, and getting it to the ground quicker and more efficiently is good. Is there any downside with the work at that level with the Federal interface?

Ms. MUTH. There are some limitations at the Federal level. The demonstration waiver that we have, we are one of three states that have a similar demonstration waiver to allow the food banks to do that data collection, and have that count as the interview process. So there would be an opportunity to look at if that was worth expansion.

Mr. LAMALFA. Okay. Good. Thank you. Ms. Dean, I am from California. It is another pretty big state, but we also have those waivers that also allow the on-demand and telephone interviews *in lieu of* a scheduled face to face interview, in determining eligibility and re-certs. And so, as was mentioned earlier on, the flexibility allows the resources to be utilized much more efficiently in other areas, stronger verification. I wonder how much value is there that direct communication might have in the interaction with the recipient so that; first, they are getting what they need; and second, you are having the cues you pick up from that interaction in determining either eligibility or re-certification. How important is keeping the digital process, but also having the integrity of the program with that face to face interaction? How is that a flexibility that is needed one way or the other more so?

Ms. DEAN. So the state is held to the same standard for accuracy whether the interview is over the phone or in person when they are re-reviewing their cases. And this was an area where there was a lot of trepidation early on. Could we have a robust interview? Do you need to look someone in the eye? Ms. Muth can correct me, but I think that states have really had a very positive experience. They have learned to interview differently over the phone.

One of the nice things also that technology has afforded is, at the same time telephone interviews were coming on, many states can now pull down real time data about the household. So I have sat in on interviews where the client says, my child support payment is no longer coming through, and the case worker now can pull up child support data and say, well, wait a minute, I saw that information was posted for February. There are other tools that have expanded at the same time we moved to phone interviews. So it has been terrific. States can always, if they are concerned, pull the individual in, and if the individual needs help, can also go in and ask for that face to face help.

The CHAIRMAN. The gentleman's time has expired. Mr. Thompson, 5 minutes.

Mr. THOMPSON. Mr. Chairman, thank you. Ladies, thank you so much for being here, part of this panel. The SNAP program is a very important program, there is no doubt about it, but it is a very complex program because people bring all kinds of different histories. We have folks who are part of intergenerational poverty. We have people who wake up in the morning, find themselves in bad times. We have people experiencing mental illness, maybe substance abuse, those who are incarcerated. It is so complex, and that is why it is difficult to find one solution. One solution is not going to work on it. If we do a cookie cutter solution, at the end of the day, with our reauthorization of SNAP, we have failed. We have failed a lot of Americans.

I prefer to see SNAP, actually, the purpose of it is not so much a program, but a pathway. A path that works in a functional way to lift people out of poverty, to achieve greater opportunity, to provide a means for upper mobility. I would obviously put SNAP in with a lot of other programs that we do that don't do that today, that tend to keep people down, and suppressed, and they never realize the American Dream. And so I want to go down a path that we haven't asked a lot about. And, Ms. Dean, or whoever would like to respond, I want to look at, and correct me if I am wrong, but my understanding is that the eligibility for SNAP is generally at or below the 130 percent of poverty line. For a family of three it is calculated $26,100. Now, that is according to an October 30, 2014 rule.

We know that, and we talk about, or I talk about, and I hear others talk about, that we have a savings crisis in our country, that families don't have that insulation so when things go bad, and you have a bad day, and you wake up and you lose your job, or you go in the hospital, or your kid gets sick, or the furnace goes out, we really have a crisis in savings.

And so what I want to ask you about, actually, are the household SNAP resource limits, because they ought to be adequate so that, and those are my calculations: $2,250 in countable resources, $3,250 if you have at least one person 60 years of age or older, or is disabled, but that is household. Certain property is exempt, is my understanding. Most cars are exempt. That is a bit arbitrary state by state, a lot of variability. So my question is straightforward. Are these limits adequate without further economically destabilizing the households in question?

Ms. DEAN. We do believe that the Federal asset rules are too restrictive; you put it exactly as I would have, which is that if you cannot accumulate some modest savings, you can't inoculate yourself from life's ups and downs. If my hot water heater breaks, my car breaks down; that financial stability, that personal insurance of some modest savings, is what can prevent families from falling deeper into poverty.

So I completely agree, and that really is one of the main drivers for why states have taken advantage of the flexibility to relax that asset test, to allow for families to accumulate some modest savings, which was a very bipartisan goal in the 2002 Farm Bill.

Mr. THOMPSON. Okay. It kind of brings us a natural transition to my next question. Ms. Muth, you state that it is important to maintain some consistencies between states when implementing

SNAP because benefits are portable across state lines. Those in border towns are especially impacted by the inconsistencies between states. I represent 24 percent of the land mass in Pennsylvania, high across the northern tier. What are some existing options that might make it difficult for recipients and the state to maintain consistency across states, and what should we do about that?

Ms. MUTH. I don't see any current barriers. I think in Texas we have a lot of people that either come shop in Texas, or that our SNAP recipients are shopping in other states. I think the issues that might come about if there were different rules that applied, and that the retailers were enforcing different rules, whether you live in Texas, or whether you live in New Mexico, for example. But today I am not aware of any issues that we have with our clients who are shopping across state, because it is fairly consistent.

Mr. THOMPSON. Yes. Very good. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentleman yields back his extra time, I appreciate that. Ms. Lujan Grisham, 5 minutes.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman. I appreciate the panel and the dialogue, as we try to figure out how we protect those families and support them to make sure that this benefit is available to them, so that we don't have any hungry families and any hungry children. But, we are also looking at getting folks into a situation where they are not dependent on these benefits, it is a healthy dialogue. But I can also see how it can go awry, and I have talked about it a ton, frankly, in this Committee, that the intent of Congress to allow states to have more flexibility in how they operate SNAP and related programs is to really ensure that those states can target the constituents, and those families, in a meaningful way, and to take in the unique circumstances of each state so that they can administer those programs.

But I get very concerned when that flexibility, and I am an old state bureaucrat. I loved flexibility, and was usually arguing with the Federal Government. But when that flexibility can be utilized in a way that does exactly the opposite of the intent of the core program, I really want to talk about what safeguards there are. Here is the example: in New Mexico, ½ of the SNAP benefits go to children. One out of every three children in New Mexico is at risk for hunger. It is the fourth highest child hunger rate in the nation, so we are still identified as one of the most hungry states in the country. Our unemployment rate is the highest in the country, and it has steadily increased for the last year. In fact, our economic situation is so dire that it has really created apathy, and an environment where I can tell you that most bipartisan state leaders are not finding a way clear out of this economic predicament.

However, in that environment that I have just spoken of, in our state, the governor has unilaterally re-imposed very restrictive work requirements on SNAP recipients, even though there are no jobs. It is also the only state in the country where we are losing population, because there are no options. These children and families who were not intended to be off this benefit at this time, will be kicked off. And, in fact, the recent estimates are up to 80,000 New Mexicans will lose their benefits due to those job requirements

to find jobs that, frankly, don't exist. So how do we reconcile that, and Ms. Dean, what can Congress do that assures that flexibility doesn't become a tool to restrict the benefits that were intended to shore up these poor families and take care of these poor children?

Ms. DEAN. That is a big question. When you are talking about work requirements, do you mean the time limit, or work requirements on ABAWDs, do you mean the time limit, or work requirements on families with children? I just want to make sure——

Ms. LUJAN GRISHAM. It is both.

Ms. DEAN. That is what I thought. Okay.

Ms. LUJAN GRISHAM. Unfortunately.

Ms. DEAN. So, first off, one of the key things that the statute does that you all have done, in addition to the regulations, is knowing that states have choices and options. There are some key parameters that, if you want to, for example, do online services, or talk to people in person, those kinds of things, you still have to process benefits once someone presents themselves as needing help, if they are within the Federal timeline. So timeliness and accuracy are key metrics that the Feds hold states accountable to. And they say you have a lot of different choices and options, but you must help needy people when they present themselves and provide all of their information. Those are cornerstones to the program, and really help identify where there are problems.

Ms. LUJAN GRISHAM. Do you think we could strengthen those cornerstones? And, again, I believe in state flexibility. I also want these benefits to be targeted in a meaningful way, and I want real opportunity, so that we don't have persistent poverty. But I also know that this safety net is critical.

Ms. DEAN. Yes.

Ms. LUJAN GRISHAM. And it is clear to me that too often the Federal Government finds that those resources seem a bit restrictive to them to actually do accountability. And I get lots of responses that say, "Well, they are within the work requirement regulations, so we aren't going to do anything about those 80,000 who are now off."

Ms. DEAN. Right. And that is the key question is, when there are work requirements, when the state is saying, we want to engage these folks in some activity to test their willingness to work, and, hopefully, to encourage work, what is the measure of accountability there? Leaving the program doesn't mean you got a job. It might mean that you were asked to do something you couldn't do. There was no child care for your young baby. You might have no jobs.

Ms. LUJAN GRISHAM. No jobs in my state.

Ms. DEAN. And so what do we do to ensure that those efforts are engaging in the results that everyone says they want?

Ms. LUJAN GRISHAM. Thank you. I yield back.

The CHAIRMAN. The gentlelady's time has expired. Mr. Davis, 5 minutes.

Mr. DAVIS. Thank you, Mr. Chairman, and thank you to each of the witnesses for being here today. A lot of my questions were taken by earlier Members of this Committee, but it is imperative that I reiterate some of the comments that Mr. LaMalfa made. And I really want to commend Doug, and also Chairman Conaway, and the Chairwoman of the Nutrition Subcommittee, my colleague

Jackie Walorski, for actually talking about SNAP, and bringing folks like each of you in to talk about some of the successes of the program. Because we would be keeping SNAP recipients, in states like Texas, and my home State of Illinois, we would be doing them a disservice if we didn't try and make the program even better, and more respective of the needs of those families who are utilizing those benefits.

There is a lot of talk about public-private partnerships. That was my question, but I don't want to reiterate it again. Although, in one aspect, based upon some of the discussion here today, we seem to have focused those public-private partnership discussions on more urban areas. And I know that there are many urban areas in the great State of Texas, as my Chairman likes to remind me of, but I have a lot of rural areas, just like you do in Texas. Can you expand, maybe, Ms. Muth, on what opportunities for rural areas there can be for the public-private partnerships?

Ms. MUTH. We do have public and private partnerships in both rural and urban areas. Obviously, in some instances, it is harder to find the partnership in a rural area because there are just not as many entities there, but we have a very successful partnership with a food bank in Lubbock. They participate in that demonstration waiver that we have, and they target rural areas to provide access to individuals in those areas. And so it is incumbent on the state. We often look at that issue, and those are where we work very hard to identify and recruit partners, and sometimes we have to work a little bit harder to do that. But they are there, and we do have those partnerships that are very fruitful. We work with the faith community as well in those partnerships, and so that is an opportunity in rural areas also.

Mr. DAVIS. Great. I know there has been a lot of discussion on technology, and technological advances, and getting more of a coordinated effort for our states to be able to serve the recipients of SNAP benefits, and other benefits, to work together. I know there was some discussion about that just a few minutes ago. Is there anything that you may want to relay to this Committee we haven't asked about how to make this technology work even better, and in a more cohesive fashion, to better get the benefits to the recipients? Whomever wants to answer.

Ms. MUTH. I will take one, because I just had a thought that had come to me, and I am Stacy, you might remember the name, but there is a partnership right now with a number of states, one of the things we have to do is confirm whether someone is receiving benefits in another state.

Mr. DAVIS. Yes.

Ms. MUTH. And each state has to individually contact other states. And there is a partnership with seven or so states right now. It is something that states have to buy into to participate in that just really seems like there should be a national database as we are spending a lot of resources. And I will tell you, often workers in other states somehow get my name and number to confirm whether a recipient is receiving benefits in Texas. It is not an efficient process, and I don't think it is an effective process, and technology could really help us there.

Mr. DAVIS. Okay.

Ms. DEAN. Can I add one more——

Mr. DAVIS. Yes, absolutely.

Ms. DEAN.—which is the procurement of large statewide systems, that many states, particularly small states, are largely left on their own to sort out how to undertake a large procurement and can often be multi-billion dollar companies. And sometimes, frankly, are just mismatched in terms of knowing what to ask for, how to ensure the contracts will get them the best that they can, and the best value for your investment as well, because the Feds are putting up a significant share of those funds. So finding ways to leverage information across states, and perhaps to collaboratively purchase, say, if eight states are working with one vendor, there must be some way to leverage their shared——

Mr. DAVIS. Is the USDA providing any of that type of technical assistance?

Ms. DEAN. Well, it is not just USDA, because most eligibility systems will include Medicaid, child care, TANF. So it is a multi-Federal agency, a multi-state agency, and a lot of efficiency is lost in that effort.

Mr. DAVIS. Great. My time has expired. Thank you all.

The CHAIRMAN. Thank you, Mr. Davis. I had a couple of real quick ones to finish out. Ms. Muth, you mentioned that Texas has a 96 percent efficiency rating on getting benefits qualified on time. What is the definition of *on time?*

Ms. MUTH. There are Federal standards related to timeliness, and for applications, there is generally a 30 day timeframe in which we have to process that. But if a household meets expedited criteria, then we have to process that in 7 days. But Texas actually has state law that says if you meet the expedite criteria, which basically means you are in immediate need for assistance, that we have to process that by the next day.

The CHAIRMAN. Okay.

Ms. MUTH. So, on average, it takes us about 14 days to process applications.

The CHAIRMAN. And the 96 percent is a blended approval rating on all——

Ms. MUTH. That is correct.

The CHAIRMAN. States share the administrative costs. I am a CPA by trade, so are there efficiency standards, or measures that have been developed, or are developed, to look at number of employees per beneficiary, dollars spent per beneficiary, all those kind of things that would lead us to believe that on the administrative side, we are getting the best bang for the buck, and then help states who may not be providing the same level of their half? In other words, they are limiting their access to these better technologies through a state decision. Are there ways to look at that from an efficiency standpoint?

Ms. MUTH. That is a great question. USDA does publish the administrative costs, but it is so difficult because every state is organized a little bit differently, and groups programs together differently, and you have a major——

The CHAIRMAN. Would there be value in looking at some common denominator that you could then look at, dollars is one thing, but if we had the number of beneficiary payments, is there some sort

of way to look to see which states are doing it better, and then say to the other states here is a state that is doing it better?

Ms. MUTH. Absolutely. And also, at the state level, they hold those accountable through the appropriations process as well.

The CHAIRMAN. All three of you, and Ms. Dean, you mentioned it, really, answering Mr. Davis's question, but are there formalized best sharing—convening organizations within the 50 states, or 54 jurisdictions, that separate this program so small states can get together and share best practices they have implemented would that be beneficial?

Ms. DEAN. Sure. There is a state-based organization, the American Public Human Services Administration, and they are here, which is great. If states are members of that convening organization, they get together and gather. The Feds also pull folks together to share, but not always across program, not always with respect to a business approach, or a method of doing work; states would care about that across SNAP, Medicaid, TANF, and child care. We tend to think within single programs. There is more we can do there. And, frankly, states and the Federal agencies feel constricted in their ability to convene and travel because there is a lot of public scrutiny of spending dollars in that way. But it is so important and so valuable. We need to see more of it.

The CHAIRMAN. All right. The 20 hour work requirement, that is not just one job? They could have multiple jobs——

Ms. DEAN. They could.

The CHAIRMAN.—to get to 20? Okay. And then, this is probably outside y'all's lanes directly, but could you walk me through real quick the interrelationship between qualification for SNAP and the school lunch program, the school nutrition programs, and eligibility there? Is there a link between those?

Ms. DEAN. Yes, absolutely. Children on SNAP automatically qualify for the free school meals program, and there is a legal obligation for states and school——

The CHAIRMAN. That is lunch and breakfast?

Ms. DEAN. Yes. There is a requirement to cross-enroll, and a performance standard there.

The CHAIRMAN. All right. Okay. Is that the only way children qualify, or can they still qualify for free or reduced lunch if they come off the SNAP program——

Ms. DEAN. Yes. They may fill out an application and qualify based on family income——

The CHAIRMAN. But SNAP just automatically gets——

Ms. DEAN. Absolutely, yes.

The CHAIRMAN. Well, I appreciate our witnesses being here today. We get criticized for the number of hearings we have had on this issue. We spend $80 billion a year on it. I am not embarrassed by the opportunity to present, and hopefully in a fair and balanced method, so to speak, the good, the bad, and what we are trying to get done. My goal is to get the policy right. I don't have any numbers on any savings, or anything like that at this stage. We just want to get the policy right. You can't know that unless you have the examination of the policy to see what is working and what is not working. And so I appreciate you being here today.

As Mr. Thompson mentioned, we serve 45 to 46 million people. There is not a 30 second pithy little snippy statement that captures adequately the complexity of the system. One side, our side, typically focuses on the anecdotes such as the 27 year old California surfer, with not a lot of sympathy for being on food stamps and maintaining his surfer lifestyle. Mr. McGovern and others focus on the folks who will always be on benefits, children, or who should be, the elderly, and the disabled, and so we talk past each other an awful lot of the time when we are trying to deal with this thing. So our goal, publicly stated, is to make sure we get the policies correct, and then we will score those policies, and see what we can afford. But the real goal, at this stage, is to get those policies right.

One of the things that goes on, if I am a private donor in a not-for-profit, or a faith-based organization, and they don't do it correctly, then I could police that, and move them out. These programs are not policeable by the donors, by the taxpayers, *per se,* and so that is a job that we should be fulfilling, and we haven't for a long, long time. So, we are building a body of knowledge that this group didn't have because for a long, long time we just let this system go, without a great deal of understanding. So don't apologize for my colleagues who criticize us for having too many of these hearings, but I appreciate our witnesses for being here.

Under the rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material and supplemental written responses from the witnesses to any question posed by a Member. This hearing on the Committee of Agriculture is adjourned. Thank you.

[Whereupon, at 12:09 p.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED LETTER BY TRACY WAREING EVANS, EXECUTIVE DIRECTOR, AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION

March 14, 2016

Hon. K. MICHAEL CONAWAY,
Chairman,
House Agriculture Committee,
Washington, D.C.;

Hon. COLLIN C. PETERSON,
Ranking Minority Member,
House Agriculture Committee,
Washington, D.C.

Dear Chairman Conaway and Ranking Member Peterson:

Thank you for this opportunity to provide written testimony on behalf of the American Public Human Services Association (APHSA) for the record of your March 2, 2016, hearing on state agency use of options in the Supplemental Nutrition Assistance Program (SNAP).

APHSA is a bipartisan, nonprofit membership organization representing state and local human service agencies through their top-level leadership. APHSA has been working to improve public health and human services for over 80 years by collaborating with state and local agencies, partners and national policymakers to promote effective policies, innovative strategies, and effective service delivery systems. With and through our members, APHSA advances comprehensive solutions for the issues facing human services by working with a broad spectrum of partners and stakeholders.

APHSA's Framework

The framework through which our members see both SNAP, and health and human services programs broadly, is expressed through APHSA's *Pathways* initiative. This member-driven proposal for a more effective and outcome-focused human services system calls for sustainable and meaningful outcomes for individuals and families focused on four impact areas: achieving gainful employment and independence; stronger families, adults, and communities; healthier families, adults, and communities; and sustained well-being of children and youth. Our views are driven by the need to shape the future of human services programs so that they account for the many changes now taking place in our country—in the economy, social structures, demographics, communications, and other major sectors that bear directly on our national success and well-being. These broad changes are challenging us to rapidly increase the effectiveness and value of our work. In partnership with communities across the nation, our agencies are already creatively generating solutions for the many needs and concerns in our field through focused leadership, path-breaking partnerships, and new answers to old problems.

We are optimistic about the unprecedented opportunities we have to maintain the best of our current systems while creating a new environment for improved, long-term outcomes for children and families. Some examples of these opportunities include exciting developments in breakthrough technologies, new forms of communication, fresh business process models, and alternative funding support. These new approaches, tools, and relationships are converging to *transform* our work into a system that creates community-wide change and supports meaningful and sustainable outcomes. These dramatic shifts are helping to lift individuals toward independence, add value to communities, strengthen families, and achieve more at less cost—positive changes that benefit us all.

Key Considerations for a Strong SNAP Program

The strength and health of families, adults, and communities rest on a broad continuum of widely available conditions and resources as well as individual and family capacities and abilities. Among these is the means to access proper nutrition, and Federal nutrition programs play multiple and important roles in supporting this result. As those who are responsible for managing SNAP at the state and local levels, we know that SNAP is a key nutrition support that has served to significantly alleviate hunger and poverty for many decades.

APHSA and its members have identified a number of core considerations that can help assure SNAP will be effective in strengthening families and will be efficient and administratively feasible. We list below several of these issues, and proposals for their associated policy improvements, that touch on issues raised in your March 2 hearing:

- **SNAP's role in supporting work and building capacity**—Support for entering the workforce and retaining gainful employment is a key goal for our agencies and a critical activity that can help move more individuals and families out of poverty. SNAP's role in this goal could be greatly strengthened if the rules and funding for the SNAP Employment & Training program meshed more seamlessly with other work support efforts and could more easily be made part of a comprehensive employment support effort. The current E&T pilots should shed important light on how SNAP can advance in this critical area, and clearly beneficial impacts from these pilots should be implemented even ***before*** the pilots have concluded. Additional, similar pilots that can evaluate other strategies to build individual and community capacity should be promptly developed and tested.
- **Testing and implementing other successful innovations**—Modernizing SNAP must include accelerated development of innovative alternatives that improve the program's impacts and administration, followed by rapid evaluation and prompt implementation of successful improvements. The Employment & Training pilots now under way should be a model for numerous other pilots covering such major program aspects as improvements in nutrition, overall family well-being, and independence; verification and program integrity; and new blended and braided funding models, including partnerships with other programs and sectors. Another example could be pilots that incorporate use of the Modified Adjusted Gross Income (MAGI) and eligibility decisions from health programs to initiate and complete most of the SNAP eligibility process.
- **SNAP has contributed significantly to reducing need and to providing important bridge supports for those affected by job loss and other setbacks**—It can respond quickly to recessions, food price inflation, and the changing needs of individuals and job markets. SNAP's benefits flow through the existing retail food system and generate multiplier effects on the broader economy. SNAP's benefit structure must continue to be able to provide this kind of immediate, effective, and sustained response. SNAP is also a key element in preventing "heavier-touch" problems down the road in health, nutrition, family stability, and independence. As the traditional foundation of nutritional and bridge supports across the nation, it has enhanced the effectiveness of other programs with varying benefits and standards, such as Temporary Assistance for Needy Families.
- **While SNAP must retain its current strengths, it can and should become a far more impactful and efficient program**—SNAP must become much more effectively aligned with other programs such as those in the area of health. SNAP also must take far greater advantage of new technology and electronic data exchanges that can speed the application process, avoid duplication of work for both participants and administrators, connect seamlessly with other programs, strengthen access, and further improve program integrity. By often functioning in isolation, SNAP misses many opportunities to interact with other programs and thus to enhance access and efficiency. One clear example is the inability to take full advantage of the new information systems being implemented for health care, which can connect to SNAP in limited ways but cannot bridge SNAP's differences in definitions of income and households and its approaches to interviewing and verification. Greater interoperability and alignment among these large systems would improve access by enhancing "single-portal" contact and reducing duplication in collecting and verifying case information.
- **Any changes that would include block-granting SNAP must avoid problematic elements of other human services block grants**—SNAP must retain its current responsiveness, including rapid adjustments for cost increases and caseload growth; a national floor for benefits; and alignment of state administrative match rates with other major human service programs. Any reductions in SNAP expenditures must be carefully assessed for their impacts on both recipients and the states' ability to meet their needs properly, as well as the retail food economy. SNAP benefit or administrative match reductions could have a number of undesirable consequences, including diminishing agencies' ability to properly administer this very complex and labor-intensive program.
- **All health and human service programs must allow and support the most up-to-date and effective business practices in their administration**—They must become a more seamless and efficient element of a person- and family-centered approach. A number of current SNAP laws, regulations, and administrative rulings prevent the program from taking full advantage of advances that would reduce administrative costs, improve customer service, and

strengthen program impacts. Certain policies beyond SNAP also have similar impacts, such as those that keep SNAP and other programs from freely using important databases that could improve administration and access. Similarly, states must have the option to implement horizontally integrated systems (particularly their information technology components) that align and streamline the eligibility and verification processes for SNAP, health, cash assistance, and other human services programs. Such integration will improve access, save administrative expense, improve program integrity, and maximize states' ability to take advantage of extended enhanced Federal funding.

- **Program simplification**—APHSA has for decades urged simplification of SNAP rules, and proper credit goes to Congress, several Administrations, and the program's stakeholders for reducing complexity in many areas. However, SNAP remains one of the most challenging assistance programs for customers to understand and for agencies to administer, and remains tied to eligibility and verification processes that are more difficult and less common than those in most other major programs.
- **The "cliff effect"**—Among the most unfortunate results of multi-program disconnects is the "cliff effect," in which modest increases in income or in a given program's benefits trigger significant reductions in other programs. While SNAP has provisions that help ameliorate some of these concerns, on the whole it and other human services programs have far to go. Among other negative results, the cliff effect is often a significant disincentive to begin working or to increase hours and pay.
- **Modern customer interfaces**—Much of our population, of whatever income level, has long since made the transition to engaging government and other sectors electronically, through personal devices, and without the need for unreasonable paperwork and repetition of data already in the system. SNAP has begun making this transition, and indeed was a pioneer in changing fully to electronic card benefits nearly a decade and a half ago. But again, it has far to go in allowing simple electronic access, interoperability among related assistance programs, alternatives to face-to-face interviews, and use of the vast amount of electronic data now residing in government systems. Reducing these barriers could enhance single-portal access and eligibility, cut the time and effort to submit verification information, and help the many SNAP participants who must work during normal office hours.

Returning to your hearing's key theme of state options, it is clear from these principles that a sound SNAP program relies on a number of important state administrative options—both those already in place and new areas of flexibility referenced in the points above. It is certainly proper that states be held accountable for suitable program performance and use of public funds in their application of options, and we believe that SNAP's very thorough quality assurance and oversight procedures will continue to yield that result. As you continue your review of SNAP and prepare for program changes in the next farm bill, we urge you to keep in mind the critical role that a reasonable degree of state flexibility must play in successful administration of SNAP.

We will be pleased to provide additional information on any of these issues. Please contact Larry Goolsby, Director of Strategic Initiatives, [**Redacted**] with any questions or requests.

Sincerely,

TRACY WAREING EVANS,
Executive Director, APHSA.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(THE PAST, PRESENT, AND FUTURE OF SNAP: THE RETAILER PERSPECTIVE)

THURSDAY, MAY 12, 2016

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 9:59 a.m., in Room 1300 of the Longworth House Office Building, Hon. K. Michael Conaway [Chairman of the Committee] presiding.

Members present: Representatives Conaway, Neugebauer, Goodlatte, Lucas, Rogers, Thompson, Gibbs, Austin Scott of Georgia, Crawford, DesJarlais, Gibson, Hartzler, Benishek, LaMalfa, Davis, Yoho, Walorski, Allen, Bost, Rouzer, Abraham, Moolenaar, Newhouse, Kelly, Peterson, David Scott of Georgia, Walz, Fudge, McGovern, DelBene, Vela, Lujan Grisham, Kuster, Nolan, Bustos, Kirkpatrick, Aguilar, Adams, Graham, and Ashford.

Staff present: Caleb Crosswhite, Haley Graves, Jadi Chapman, Mary Nowak, Scott C. Graves, Stephanie Addison, Faisal Siddiqui, John Konya, Lisa Shelton, Liz Friedlander, Matthew MacKenzie, Nicole Scott, and Carly Reedholm.

OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

The CHAIRMAN. Good morning. This hearing of the Committee on Agriculture entitled, *The Past, Present, and Future of SNAP: The Retailer Perspective,* will come to order. I have asked Michael Bost to open us with a quick prayer. Michael?

Mr. BOST. Thank you, Mr. Chairman. If we can bow our heads? Dear Heavenly Father, we thank you for this day. We thank you for the blessings of this day. We thank you for the opportunity that we can come together as a nation and meet, discuss business to try to make this nation better, greater. Lord, we thank you for the freedoms that we have in this nation, and for the men and women who have fought to make sure that those freedoms are kept. Lord, we thank you. We ask all these things in your Son, Jesus Christ's, name, amen.

The CHAIRMAN. Thank you. I want to welcome our witnesses to today's hearing, and thank them for taking the time to share their perspectives as retailers serving SNAP recipients. This hearing, like those before, builds upon the Committee's top to bottom review of the Supplemental Nutrition Assistance Program, or SNAP. As

the Committee concludes our review, we will be in a position to make meaningful improvements to the program, improvements that benefit recipients, taxpayers, and those working as critical partners in carrying out the program. We often say the states are the front lines of serving SNAP recipients, but it is the retailers providing the food that interact directly with their customers on a monthly, weekly, and sometimes daily basis.

Retailers are keenly aware of the challenges that face their customers as they shop in grocery stores, whether it be trying to provide the proper nutrition for their families, or how to best maximize their budgets. Today we will hear from a variety of retail businesses, ranging from a convenience store to a large grocery chain, about the various challenges and opportunities both retailers and recipients experience interacting with SNAP. We will discuss the process in becoming an authorized SNAP retailer, and how that varies from single store operators to franchise grocery store chains, and the initiatives taking place within stores to promote healthy food purchases. Furthermore, we will evaluate the opportunities with technology, as well as the various challenges facing rural communities, and how retailers are serving those areas.

From color coded stamps to the current EBT system, technology has come a long way since the food stamp program was created in 1963. Technology is ever-changing. Today, food manufacturers are working to provide smart labels on packages that allow customers with cellphones to see ingredients, possible allergens, and genetic technology used to produce the food item. Credit card companies are now placing a chip into debit cards for more secure transactions. As technology evolves, we must ensure that SNAP is able to take advantage of these innovations, while still ensuring program integrity.

We also have seen the way in which customers shop is evolving. My colleague from Michigan referenced in our last Nutrition Subcommittee hearing many grocery stores now offer wide selections of ready to consume or prepared meals. With these new food options, and various new purchasing opportunities available, consumers' shopping patterns are changing. We are beginning to see more consumers who prefer to shop for their groceries online, such as the elderly, who have difficulty shopping in a store, parents with two jobs and limited time, and those who just prefer the convenience. Retailers are adjusting to meet their customer demands.

For those individuals living in rural America, accessing food can be quite the challenge. I know that from Texas' District 11, how some rural parts of the country can be, and how far a person must travel to reach a grocery store. As policymakers, we must be cognizant of the various laws we consider and regulations that are proposed to ensure that Washington is not making it harder for families to put food on their table, instead allowing SNAP to adapt to the changing needs and trends.

I want to thank our witnesses for being here today to share their perspectives from the grocery aisle.

[The prepared statement of Mr. Conaway follows:]

PREPARED STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

I want to welcome our witnesses to today's hearing and thank them for taking the time to share their perspectives as retailers serving SNAP recipients. This hearing, like those before, builds upon the Committee's top-to-bottom review of the Supplemental Nutrition Assistance Program, or SNAP, so as the Committee approaches reauthorization, we will be positioned to make meaningful improvements to the program—improvements to benefit recipients, taxpayers, and those working as critical partners in carrying out the program.

We often say the states are on the front lines of serving SNAP recipients, but one could argue it is the stores providing food that directly interact with their customers on a monthly, weekly, or even daily basis. Retailers are keenly aware of the challenges their customers face as they shop in grocery stores, whether it be trying to provide the proper nutrition for their families or how best to maximize their budgets.

Today, we will hear from a variety of retailer businesses, ranging from a convenience store to a national large grocery chain, about the various challenges and opportunities both retailers and recipients experience interacting with SNAP. We will discuss the process for becoming an authorized SNAP retailer and how that varies from single store operators to franchised grocery chains and the initiatives taking place within stores to promote healthy food purchases. Furthermore, we will evaluate the opportunities with technology, as well as the various challenges facing rural communities and how retailers are serving those areas.

From color coded stamps to the current EBT system, technology has come a long way since the food stamp program was created in 1963. Technology is ever changing. Today, food manufacturers are working to provide smart labels on packages that allow customers with cellphones to see ingredients, possible allergens, and genetic technology used to produce the food item. Credit card companies are now placing a chip into debit cards for more secure transactions. As technology evolves, we must ensure that SNAP is able to take advantage of these innovations, while still ensuring program integrity is intact.

We also have seen that the way in which consumers shop is evolving. As my colleague from Michigan referenced in our last Nutrition Subcommittee hearing, many grocery stores now offer a wide selection of ready to consume or prepared meals. With these new food options and various new purchasing opportunities available, consumer shopping patterns are changing. We are beginning to see more consumers who prefer to shop for their groceries online, such as the elderly who have difficultly shopping in a store, parents that work two jobs and have limited time, or those who just prefer the convenience. Retailers are adjusting to meet their customer demands.

For those individuals living in rural America, accessing food can be quite the challenge. I know from my own experience traveling around Texas' 11th district, how rural some parts of the country can be and how far a person may have to travel to reach a grocery store. We as policymakers must be cognizant of the various laws we consider and regulations that are proposed to ensure that Washington is not making it harder for families to put food on the table, but instead allowing SNAP to adapt to these changing trends.

I want to thank our witnesses for taking the time to be here today to share their perspectives "from the grocery aisle."

The CHAIRMAN. And, with that, I turn to the Ranking Member for any comments he would like. Collin?

OPENING STATEMENT OF HON. COLLIN C. PETERSON, A REPRESENTATIVE IN CONGRESS FROM MINNESOTA

Mr. PETERSON. Thank you, Mr. Chairman, and I want to welcome today's witnesses to the Committee. I look forward to their testimony. Retailers play an important role in the food chain, and this Committee focuses so much on farmers that the perspective of food retailers, and the role they play in getting food to consumers, sometimes gets lost. For many, a grocery store may not be easily accessible. This is why so-called small format retailers, who we are hearing from today, are so important. They can help bridge some of the distance, and meet consumer needs.

I recently joined my colleagues expressing concerns about the proposed rule to modify SNAP retailer eligibility requirements, and I believe the proposed rule would threaten small format retailers' ability to participate in SNAP. It would reduce food access to many consumers who rely on these small retailers for their groceries, and it just is the wrong direction. So hopefully this issue can be addressed, moving forward. Larger retailers also face challenges, particularly when it comes to technology, so I will be looking to today's testimony to see if there is anything Congress can do to help these retailers better serve consumers. So, again, welcome to the Committee, witnesses, and I thank the chair, and yield back.

The CHAIRMAN. I thank the gentleman. The chair would request that other Members submit their opening statements for the record so that our witnesses may begin their testimony, and to ensure there is ample time for questions. I would now like to welcome to our witness table Ms. Kathy Hanna, Senior Director Enterprise Payments and Store Support, The Kroger Company, Cincinnati, Ohio. I would ask Mr. Rogers from Alabama to introduce our next witness. Yes.

Mr. ROGERS. Thank you, Mr. Chairman. I have the honor today to introduce Mr. Jimmy Wright from the great State of Alabama. Jimmy is a single store operator of a family owned neighborhood market in Opelika, Alabama. Jimmy is an involved member of the community in Opelika, serving as President of the Opelika Community Development Corporation, and on the board of the National Grocer's Association. Jimmy, his wife Susan, and daughter Emily, are members of the First Baptist Church of Opelika, a church I have had the privilege of visiting several times, and it has a spectacularly beautiful sanctuary. You have a lot to be proud of.

He has a unique perspective on what it is like to serve a diverse clientele, and to feed a community. Jimmy bought the market in Opelika in 1997, and has run this market as Wright's Market ever since. In 2012 Mr. Wright formed a relationship with a nonprofit ministry to open the Carver Neighborhood Market. Carver Neighborhood Market serves a community in South Atlanta that was once what is known as a food desert. Folks in South Atlanta had to previously drive 3 hours round trip on a bus just to shop for groceries. Jimmy's service to that community is a testament to his desire to give back to this country that has blessed him so much.

Thanks to Jimmy for being here, and I know we all look forward to your testimony. And with that, Mr. Chairman, I yield back.

The CHAIRMAN. I would also like to introduce Mr. Doug Beech. He is Counsel for Casey's General Stores, is that Ankeny, Iowa? Okay. And I would like to ask Mr. Lucas to introduce our last witness.

Mr. LUCAS. Thank you, Mr. Chairman, and I would like to introduce Carl Martincich. He is the Vice President of Human Resources and Government Affairs at Love's Travel Stops and Country Stores. Love's is a large chain of truckstops serving rural areas that have busy interstates running through them. Travel stops such as Love's typically also have multiple businesses, such as fast food restaurants, within the store. Carl will discuss how their business model differs from other retailers, and what factors they use when deciding what food to stock on its shelves, and, most inter-

esting, of course, the similarities between SNAP purchases and non-SNAP purchases of other customers. Thank you, Mr. Chairman.

The CHAIRMAN. With that, I would acknowledge Ms. Hanna and Mr. Beech. You need to be from a state which has a Member on the Committee. You get a much better introduction. Ms. Hanna, you may begin your testimony at your leisure. Thank you.

STATEMENT OF KATHY HANNA, SENIOR DIRECTOR ENTERPRISE PAYMENTS AND STORE SUPPORT, THE KROGER CO., CINCINNATI, OH; ON BEHALF OF FOOD MARKETING INSTITUTE

Ms. HANNA. Thank you. Good morning, Chairman Conaway, Ranking Member Peterson, and Members of the Committee. My name is Kathy Hanna, and I am the Senior Director of Enterprise Payments at The Kroger Company, based in Cincinnati, Ohio. I am also the past Chair of the Food Marketing Institute Electronic Payment Systems Committee. Kroger is the largest traditional grocer in the U.S., with nearly two dozen banner names, all of which share the same belief in building strong local ties and brand loyalty with our customers. Every day the Kroger family of companies makes a difference in the lives of 8½ million customers and 431,000 associates who shop or serve in our 2,778 retail food stores in 35 states, and the District of Columbia.

At Kroger we are interested in improving the health of all of our shoppers. More and more shoppers see the supermarket as a health or wellness destination. Kroger currently operates 2,231 pharmacies, and 190 clinics. We employ dieticians, nutritionists to assist our shoppers in making healthy choices. Additionally, we employ chefs that hold cooking demonstrations, and provide recipe ideas for families shopping on a budget, or with specific dietary needs. These are benefits and services Kroger offers to all of our customers, regardless of how they are paying for their groceries. In Memphis and north Mississippi, Kroger recently partnered with AARP, who received a Food Insecurity Nutrition Incentive grant from the USDA. This partnership allows us to incentify SNAP customers to purchase more fresh fruits and vegetables in our stores. Creative incentives such as this are a win-win for the grocery industry and our customers. In April of this year, 600 coupons were redeemed *versus* only 60 in October of last year.

Grocers are the private partner with the government as the point of redemption for SNAP recipients, and are vested in ensuring the program runs as efficiently as possible. The national SNAP EBT system we have today is a result of legislation authored by then House Agriculture Nutrition Subcommittee Chairman Bob Goodlatte. Today SNAP is ubiquitous, quick, inexpensive to accept, and seamless amongst the states. At Kroger, our point of sale system is integrated to automatically prohibit SNAP benefits from being used to purchase non-allowable items. This efficiency is further enhanced by the fact that the rules are uniform across the country. Not only is this ubiquity essential on our programming side, it is key for our shoppers who rely on SNAP to have the same set of rules regardless of where they are redeeming their benefits.

While SNAP EBT has been incredibly successful, we must now look to the future of EBT. SNAP EBT relies on almost 50 year old magnetic stripe technology. This legacy technology is currently being replaced here in the U.S. with chip cards in the credit card and debit card markets, numbering the days of magnetic stripe. Eventually the point of sale will move away from magnetic stripe, and we need to plan for what the next generation of EBT should look like. We should consider where there is a place for EBT as a mobile payment, or other solutions that would best serve our SNAP clients, and maintain the efficiencies and ubiquity of SNAP. We are always looking for opportunities to bring greater efficiencies and improvement to SNAP.

One area where states vary widely is how many days of the month they distribute benefits. If a state only distributes benefits 1 to 3 days a month, it can create several operational challenges for retailers. The grocery industry is a very high volume business. We sell millions of food items every day. Our shelves are constantly being restocked, and we work very hard to keep checkout lines short and moving quickly. Serving large populations of customers on 1 or 2 days a month raises significant challenges. We support states spreading out their distribution to throughout the month to ensure better service and full selections for all customers.

Another area we are focused on is greater reliability of EBT processing. States contract with a processor to carry out SNAP transactions. When an EBT processor experiences an outage, and the system goes down, we often do not know about it until the store has incurred multiple SNAP transaction declines. These outages can be very costly to us, and cause major disruptions for our customers in our stores. Currently there are only two providers effectively splitting all of the states. Two simply is not enough. We believe that more competition in the payments processors space, the higher the level of reliability we will see in this space.

Thank you again for inviting me here today. Kroger is committed to serving all customers, including our customers who utilize SNAP. We stand ready to work with the Committee as it begins to contemplate the next farm bill to find additional improvements and future technology solutions to ensure that we can all meet our customers' needs. Thank you.

[The prepared statement of Ms. Hanna follows:]

PREPARED STATEMENT OF KATHY HANNA, SENIOR DIRECTOR ENTERPRISE PAYMENTS AND STORE SUPPORT, THE KROGER CO., CINCINNATI, OH; ON BEHALF OF FOOD MARKETING INSTITUTE

Good morning, Chairman Conaway, Ranking Member Peterson, and Members of the Committee. My name is Kathy Hanna and I am the Senior Director Enterprise Payments at the Kroger Company based in Cincinnati, Ohio. I am also past Chair of the Food Marketing Institute Electronic Payments Systems Committee and have watched the evolution of the Supplemental Nutrition Assistance Program (SNAP) from paper coupons that were often traded in the store parking lot, to a patchwork regional system with differing administrative requirements, and then finally a nationwide electronic system that has significantly improved efficiencies and reduced the opportunity for fraud and error.

Kroger is the largest traditional grocer in the United States with nearly two dozen banners, all of which share the same belief in building strong local ties and brand loyalty with our customers. Every day, the Kroger Family of Companies makes a difference in the lives of 8½ million customers and 431,000 associates who shop or serve in 2,778 retail food stores under a variety of local banner names in 35 states

and the District of Columbia. At Kroger, we are interested in improving the health of all of our shoppers. More and more shoppers see the supermarket as a health or wellness destination. At Kroger, we currently have 2,231 pharmacies and operate 190 in store clinics. We employ dietitians and nutritionists to assist our shoppers in making healthy choices. Additionally, we employ chefs that hold cooking demonstrations, and provide recipe ideas for families shopping on a budget, or with specific dietary needs. These are benefits and services Kroger offers to all of our customers, regardless of how they are paying for their groceries.

In recent years, FNS has looked for new ways to incentivize healthier eating by SNAP customers and the Agency has been willing to grant waivers allowing grocers to directly incentivize SNAP shoppers. Kroger has recently partnered with AARP who received a Food Insecurity Nutrition Incentive grant from the USDA. This partnership allows us to incentivize SNAP customers to purchase more fresh fruits and vegetables in our stores. Creative incentives such as this are a win-win for the grocery industry and our customers.

We know our SNAP shoppers, like any shopper on a budget, is looking to maximize and stretch their spending power.

Benefits of a Nationwide, Interoperable EBT System

I am honored to be here today to share Kroger's experience as a private partner with the government as the point of redemption for millions of SNAP recipients every month. When I first came to Kroger and worked in the stores, customers redeemed paper Food Stamp coupons torn out of books distributed monthly for food products in our stores. While Food Stamps provided a necessary benefit for Americans most in need, redeeming the stamps at the check-out was a very slow and tedious process subject to human error. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 committed to improving the paper system by mandating that Food Stamp benefits move to an Electronic Benefits Transfer (EBT) system by October 1, 2002. The system was designed to mirror the commercially available debit card system and Congress required that all EBT cards require a Personal Identification Number, or PIN, in order to be used. A PIN ensures that the customer presenting the card is an authorized user, so if the card were lost or stolen, it would have no benefit to whoever has it. It also allows the transaction to run on commercial rails to be as efficient and inexpensive as possible.

Migrating to EBT was a huge undertaking that required cooperation among all of the various Federal Government and state government, retailer, and nonprofit and stakeholders. Kroger and all grocers were committed to the move to EBT and invested heavily in its success as we knew it would bring efficiencies into SNAP, reduce our cost of accepting the benefits and reduce the human error rate and the fraud rate by allowing states to share redemption information. At the onset, the system was not nationwide or ubiquitous with alliances of states popping up in various regions of the country under names such as SAS, the Southern Alliance of States, the Northeast Alliance of States and freestanding programs like in my home state of Ohio. Electronic was good, but it was clear that a nationwide, interoperable system would be much better. Then-House Agriculture Nutrition Subcommittee Chairman Bob Goodlatte introduced legislation to move us to the nationwide, interoperable system we have today. Today, we enjoy a SNAP redemption system in all of our stores that is ubiquitous, quick, inexpensive to accept and seamless amongst the states.

According to our partners at the Food Marketing Institute, about nine percent of grocery sales industry-wide are SNAP. That number was higher directly following the severe economic downturn in 2008 and 2009. Even then, with a larger population shopping with SNAP EBT cards, we did not see a slowdown in checkout lines or an increased error rate. The efficiency, ubiquity, low error rate and ability to handle volume increases can all be directly contributed to the streamlined EBT system. These transactions only take a matter of seconds. At Kroger, our point of sale system is integrated to automatically prohibit SNAP benefits from being used to purchase non-allowable items, such as toilet paper or alcohol. This efficiency is further enhanced by the fact that the rules are uniform across the country, so we do not have to individually program EBT restrictions, requirements or allowances by state. Not only is this ubiquity essential on our programming side, it is key for our shoppers who rely on SNAP to have the same set of rules regardless of where they redeem their benefits.

Following major catastrophic events, such as Hurricane Katrina, we often seen a massive and temporary migration of people. In the Hurricane Katrina case, we saw families from Louisiana flee to Texas, Tennessee and Arkansas for significant periods of time. SNAP's transferability in those cases is essential. A family's SNAP benefits may be been issued in Louisiana but if they were temporarily staying with

family in Arkansas, their SNAP benefits would work there without any challenges. SNAP portability is not just for major catastrophe such as this. I live in Cincinnati, right on the Ohio, Kentucky border. Every day thousands of people travel between those two states to go to work or shop. A SNAP recipient may want to cross into Kentucky from Ohio to shop at a store that is running a sale, or is closer to their job. The ability to redeem benefits with the same rules in multiple states is a very important efficiency that we enjoy in SNAP and often wish for in other government benefit programs. For instance, in the Special Supplemental Nutrition Program for Women, Infants & Children, or WIC, mothers cannot use their benefits in other states. The food packages allowed in one state often differ greatly from a neighboring state, and many states are still using legacy paper checks, while others have moved to EBT. However, in WIC EBT, the technology amongst the states varies where some use the traditional "magnetic" technology and others use what is called a "smart card." Because of these differences, WIC lacks the ubiquity that we enjoy in SNAP—and in turn is a very expensive transaction we run in the store and one of the most complicated.

While SNAP–EBT has been incredibly successful making SNAP more efficient, we are now starting to look to the future of EBT. SNAP EBT relies on almost fifty year old magnetic stripe technology. This legacy technology is currently being replaced here in the United States with "chip cards" in the credit and debit card markets. While current SNAP transactions are still more secure than a chip card without a PIN, we know that the days of magnetic-stripe cards are numbered. Eventually, point of sale readers will move away from magnetic stripe, and we should start thinking now about what the next generation of EBT should look like. The current chip card technology we are rolling out here in the United States is twenty year old technology—far from cutting edge. The 2014 Farm Bill directed FNS to pilot online SNAP, which is a great step toward looking at the future. However, we need to look beyond online, and whether there is a place for EBT as a mobile payment as more people have access to smart phones. Or are there other solutions that would best serve our SNAP clients and maintain the efficiencies and ubiquity of SNAP?

Expanding SNAP Benefits Days of Distribution To More Evenly Allocate Labor and Enhance Fresh Product Availability

One area where states vary widely is how many days a month they distribute benefits. If a state only distributes benefits 1 to 3 days a month, it can create several operational challenges for retailers. This was particularly evident during the upswing in participation in 2008 and 2009.

First, it is important to clarify a bit on SNAP recipient concentration. At the end of 2015, about fourteen percent of Americans were receiving SNAP benefits. However, that does not reflect fourteen percent of the shoppers in every store. As you know, poverty and food insecurity tends to be higher concentrated in some communities. We have many stores across the country that have a very low SNAP population and we have others with SNAP penetrations significantly higher than 14%.

The grocery industry is a very high volume business; we sell millions of food items every day. Our shelves are constantly being restocked, and we work very hard to keep checkout lines short and moving quickly. Serving large populations of customers on 1 or 2 days each month raises significant challenges, from keeping our shelves stocked and checkout lines moving to scheduling associates.

We appreciated the Agriculture Committee including language in the 2014 Farm Bill encouraging states to spread days of benefit distribution throughout the month and we will continue to work with states that currently do not to expand the days of distribution.

Another option to consider is staggering SNAP benefits twice a month rather than once. Currently, SNAP recipient benefits are loaded once a month.

I have attached a helpful chart that shows when each state currently distributes benefits to the end of my testimony.

Relationship with FNS

As the private partner serving the SNAP customer, it is essential the grocers have a close working relationship with USDA's Food and Nutrition Service (FNS). This was incredibly essential as we migrated to EBT for weather and or other disruptions because each of our 3,600 stores was required to work directly with their state agency. Those important relationships continue today.

FNS has been a strong partner with the industry and is willing to consider our input during rulemaking and other activities. Currently, we are working with FNS implementing provisions from the 2014 Farm Bill. The Agency's proposed rule "Enhancing Retailer Standards in the Supplemental Nutrition Program (SNAP)" rule is open for public comment. The proposed rule codifies the farm bill language that

increased the number and variety of staple foods a retailer must stock in order to be considered for a SNAP license. We worked with the Agriculture Committee as they drafted the language to find a workable compromise for all stakeholders. However, the proposed rule goes beyond that statutory direction and proposes to change both the definition of a "retail food store" and what qualifies as a "staple food." One unintended consequence of this could be eliminating the convenience store option. In addition to our supermarket locations, Kroger operates 784 convenience stores in the U.S. We strive to offer nutritious options for SNAP customers in those locations as well. In many communities, convenience stores are among the first and most frequently visited retail food option for customers.

Kroger has been a longtime SNAP retailer and believes that SNAP shoppers should have a wide variety of foods to choose from. We appreciate the Agency's interest in ensuring retailer integrity in the program. We hope to work with the Agency to ensure the proposed rule does not have any unintended consequences and will work to further the goal of ensuring that only legitimate food retailers are licenses to accept SNAP.

Another area we are focused on is state-contracted EBT processors. As part of the SNAP transaction, a state will contract with a processor to actually carry out that transaction. Unfortunately, fewer and fewer providers have contracted in that space, and we are now down to only two providers effectively splitting the state contracts between them. We need more competition in this space, with more than two processors bidding on these contracts. Last year, FNS released a request for information asking stakeholders for input on how to attract more players into the space. Attached to my testimony are the comments submitted by FMI.

In addition, more processor providers would help ensure EBT reliability. When an EBT processor experiences an outage and the system goes down, we often do not know about it in the store until multiple SNAP transactions are declined. These outages can cause major disruptions in our stores. In addition to understandably upset shoppers, we see our lanes slow down and unpaid for baskets of groceries left behind. All of this can be very costly for our stores, and disrupt all of our shoppers, not only SNAP shoppers. We believe that the more competition in the payment processor space, the higher the level of reliability we will see from processors.

On a similar note, we often rely on and work with FNS to keep us informed if a processor or a state is scheduling any kind of maintenance on their EBT systems that could cause disruptions in stores. Best practices dictate that any kind of maintenance, upgrade or change should happen at the slowest shopping times, such as on a Sunday at midnight. We rely on getting notices from FNS, the state or our processors when there is scheduled maintenance so we are prepared if there is a disruption. At times, vendors may schedule something during a busier time for us. We have worked with FNS to address these proposals and encourage them to move the maintenance to a more agreeable time.

Conclusion

Thank you again for inviting me here today. I hope my remarks have made it clear that Kroger is committed to serving all customers, including our customers who utilize SNAP. We are always looking for opportunities to improve our operations and our customers' shopping experience. SNAP EBT has been a great success, bringing efficiencies, ubiquity and reliability to a program that so many Americans rely on to feed their families. As Congress looks toward the next farm bill, we hope the Committee will consider these successes and efficiencies as they debate changes to the program. We stand ready to work with the Committee to find additional improvements and future technology solutions to ensure we can meet all of our customers' needs.

ATTACHMENT 1

State-by-State Monthly SNAP Benefit Issuance Schedule

State	Day(s) of SNAP Benefit Distribution
Alabama	Previously, when a person was accepted into the SNAP program they were issued a case number. From this case number an issuance date was determined. This date ranged from the 4th of the month to the 18th. The monthly issuance was transferred to the card on the first of the month, but not made available to the person until the issuance date. Any leftover balance carried on the card at the end of the month is rolled over to the following month. In August 2013, the state expanded their distribution dates, moving from the 4th to the 18th of the month to the 4th through the 23rd of the month. To assist in the transition, recipients received ½ of their benefit on their original date and ½ on their new date in the month of August to transition.
Alaska**	The main SNAP issuance is all on the first day of the month. Smaller supplemental issuances for new applicants and late re-certifications occur daily throughout the month.
Arizona	SNAP benefits are distributed over the first 13 days of the month by the first letter of the recipients' last name. For example: last names that begin with A or B are distributed on the first day of the month; 2nd day of the month: C and D; *etc.* (Cash is distributed on the first day of the month for all.)
Arkansas	Arkansans receive their benefits on these 8 days: 4th, 5th, 8th, 9th, 10th, 11th, 12th or 13th of each month, based on the last number of their social security number.
California	California is different in that each county distributes SNAP to those who qualify. The payments go out to all those who qualify between the 1–10 of the month. Others (*i.e.,* new applicants) get paid throughout the month depending on when they were accepted.
Colorado	Food Stamp benefits are distributed on the first 10 days of the month by the recipient's last digit of their social security number.
Connecticut	SNAP benefits and cash are distributed on the first 3 days of the month, by the first letter of the recipient's last name. (A–F are available on the first; G–N on the second and O–Z are distributed on the third day of the month.)
Delaware	Benefits are made available over 23 days, beginning with the 2nd day of every month, based on the first letter of the client's last name.
Florida	All SNAP recipients moved from a 15 day distribution to a 28 day distribution in April 2016. In March 2016, to assist in the new transition, benefits were "split." Recipients received the first ½ of their benefits on their "old" date and received the second ½ of their monthly benefits on what will be their "new" date going forward. The ACCESS Florida system assigns benefit availability dates based on the case number recipients received when they became eligible for the SNAP program.
Georgia	In September 2012, SNAP benefits in Georgia expanded from the 5th to the 14th, and then finally to the current 5th to 23rd of each month, distributed every other day.
Hawaii	Benefits are made available on the 3rd and the 5th of every month, based on the first letter of the client's last name.
Idaho**	Benefits are made available on the first day of every month. (Prior to August 2009, benefits were distributed on 5 consecutive days at the beginning of each month.) In 2014, H.B. 565 was enacted. The bill requires the state Department of Health and Welfare to issue SNAP benefits over the course of 10 consecutive days within a month. Bonus money received from USDA will pay for the cost of the change. Starting July 1, 2016, benefits will be distributed over the first 10 days of each month based on the last number of the birth year of the recipient; for example, a birthday of 8/25/64 would receive benefits on the 4th day of each month. In depth communications to recipients and stakeholders began in April 2016.
Illinois	SNAP benefits are made available on these 12 days of the month: 1st, 3rd, 4th, 7th, 8th, 10th, 11th, 14th, 17th, 19th, 21st, and 23rd of every month, based on a combination of the type of case and the case name.
Indiana	On January 1, 2014, the state implemented an expanded schedule for the distribution of benefits during the fifth through the twenty-third day of each month, to be issued every-other-day, based on the first letter of the recipient's last name. For example: A or B = benefits available on the 5th; first Letter of the Last Name is: C or D = benefits available on the 7th. Previously, benefits were made available on the first 10 calendar days each month. (TANF is issued on the first of the month.)
Iowa	Benefits are made available over the first 10 calendar days of every month, based on the first letter of the client's last name.
Kansas	Benefits are made available over the first 10 calendar days of every month, based on the first letter of the client's last name.
Kentucky	Benefits are made available over the first 19 calendar days of every month, based on the last digit of the client's case number. This was recently expanded from the previous 10 day distribution.
Louisiana	Benefits are made available between the 1st and the 14th of every month, based on the last digit of the client's SSN. (Elderly and disabled benefits are made available between the 1st and the 4th of every month.)
Maine	Benefits are available the 10th to the 14th of every month based on the last digit of the recipient's birthday.

State-by-State Monthly SNAP Benefit Issuance Schedule—Continued

State	Day(s) of SNAP Benefit Distribution
Maryland	In January 2016, the distribution schedule was changed. Benefits are now distributed from the 4th to the 27th of every month, based on the first three letters of the client's last name. Previously, benefits were distributed from the 6th through the 15th of the month. This was accomplished through a 5 month phase-in.
Massachusetts	Distribution is based on the last digit of each recipient's social security number and distributed over the first 14 days of the month.
Michigan	In January 2011, SNAP moved from a 7 day distribution to the current distribution, which is from the 3rd to the 21st, distributed every-other-day, based on the last digit of the head of household's recipient identification number. For example, clients' numbers ending with 0 will receive food benefits on the 3rd of the month; numbers ending with 1, food benefits will be available on the 5th of the month.
Minnesota	Benefits are staggered over 10 calendar days, beginning on the 4th through the 13th of every month, without regard to weekends or holidays, based on the last digit of the client's case number.
Mississippi	Benefits are made available from the 5th to the 19th (15 days) of every month, based on the last two digits of the client's case number. For example, 00–06 are available the 5th, 07–13 are available the 6th.
Missouri	Benefits are made available over the first 22 days of every month, based on the client's birth month and last name.
Montana	Benefits are distributed over 5 days by the last number of the recipient's case number, from the 2nd to the 6th of every month.
Nebraska	Nebraska distributes food stamp benefits to individuals during the first 5 calendar days of the month. The day of distribution is based on the last digit of the social security number.
Nevada **	In Nevada, food stamp benefits are issued on the first day of each month.
New Hampshire **	New Hampshire benefits are available on the 5th of every month.
New Jersey	The monthly SNAP allotment is available over the first 5 days of the month. The day is based on the number in the 7th position of their case number. Some of the cases still receive their benefits based on the assignment at the time the county was converted to EBT. In Warren County, all benefits are made available on the 1st of the month.
New Mexico	Benefits are made available over 20 days every month, based on the last two digits of the SSN.
New York	The process is twofold as follows: in New York City, recipients receive their SNAP benefits within the first 13 business days of the month, according to the last digit of their case number, **not including** Sundays or holidays. The actual dates change from one month to the next, so NYC publishes a 6 month schedule showing the exact availability dates. The remainder of New York State: recipients receive their benefits within the first 9 days of the month, also according to the last digit of their case number, **including** Sundays and holidays.
North Carolina	Effective July 2011, the state expanded its 10 day distribution schedule and are now available from the 3rd to the 21st of every month, based on the last digit of the primary cardholder's Social Security Number.
North Dakota **	Benefits are made available on the first day of every month.
Ohio	In April 2014, Ohio expanded its SNAP distribution from the first 10 days of the month to the first 20 days of the month, staggered every 2 days. This only affected SNAP recipients who moved from one county to another; recipients who experienced a 1 day or more break in eligibility was because of a failure to take a required action; and, all new recipients. Recipients who were on SNAP before April 2014 did not see a change.
Oklahoma	Benefits are made available from the 1st to the 10th of every month, based on the last digit of the client's SNAP case number.
Oregon	SNAP is distributed on the first 9 days of the month as such: social security numbers ending with "0" or "1" distribute on the 1st day of the month, numbers ending with a "2" are distributed on the 2nd day of the month and so on.
Pennsylvania	Benefits are made available over the first 10 business days of every month based on the last digit of the client's case number.
Rhode Island **	Benefits are made available on the first day of every month.
South Carolina	In 2012, South Carolina expanded from a 9 day to a 20 day issuance. Current recipients stayed within the 9 day distribution, but all new recipients were given a date that expanded into the 20 days.
South Dakota **	Benefits are made available on the 10th day of every month.
Tennessee	In October 2012, Tennessee expanded distribution from 10 to 20 days.
Texas	Benefits are made available over the first 15 days of the month, based on the last digit of the client's SNAP case number.
Utah	Benefits are made available on the 5th, 11th, or 15th of every month, based on the first letter of the client's last name: A–G available on the 5th; H–O available on the 11th; P–Z available on the 15th.
Vermont **	Vermont benefits are available on the first of every month.
Virginia	Benefits are made available from the 1st to the 9th of every month, based on the last digits of the client's case number.
Washington	Benefits are staggered over the first 10 days of the month based on the last digit of the households' assistance unit number. Weekends and holidays do not affect the schedule.
West Virginia	Benefits are made available over the first 9 days of every month, based on the first letter of the client's last name.

State-by-State Monthly SNAP Benefit Issuance Schedule—Continued

State	Day(s) of SNAP Benefit Distribution
Wisconsin	Benefits are made available over the first 15 days of every month, based on the eighth digit of the client's SSN.
Wyoming	SNAP is distributed on the first 4 days of the month as such: last names beginning with "A" to "D" distribute on the first day; last names beginning with "E" to "K" on the 2nd day; "L" to "R" on the third and "S" to "Z" on the fourth.

Current as of May 2016; Food Marketing Institute.
Notes:

- ** States with asterisks are those that only distribute benefits on 1 day a month. There are eight that still do so, although Idaho will soon be expanding.
- There is no limit on the number of days for stagger. The only condition in regulation is that no single household's issuance should exceed 40 days between issuances.
- Currently, benefit recipients may only be issued their benefits one time a month, or within 40 days.

ATTACHMENT 2

September 8, 2014

AUDREY ROWE,
Administrator,
Food and Nutrition Service,
Department of Agriculture,
Alexandria, VA

Docket No: FNS–2014–0030; *Federal Register* 45175

RE: Request for Information: Supplemental Nutrition Assistance Program (SNAP); Retailer Transaction Data

Dear Administrator Rowe:

On Monday, August 4, 2014, the United States Department of Agriculture ("USDA"), Food and Nutrition Service ("FNS") published a Request for Information ("RFI"): Supplemental Nutrition Assistance Program ("SNAP" or "the Program"); Retailer Transaction Data in the *Federal Register.*[1] The RFI is being issued in response to a decision by the U.S. Court of Appeals for the Eighth Circuit,[2] which held that annual SNAP retailer redemption data did not fall within the withholding exemption under the Freedom of Information Act ("FOIA") and therefore must be disclosed unless it qualifies for another FOIA exception. FNS recognizes that despite the court's decision the agency must also consider whether this redemption data constitutes confidential business information.

FMI appreciates the opportunity to comment on this important matter.

FMI proudly advocates on behalf of the food retail industry. FMI's U.S. members operate nearly 40,000 retail food stores and 25,000 pharmacies, representing a combined annual sales volume of almost $770 billion. Through programs in public affairs, food safety, research, education and industry relations, FMI offers resources and provides valuable benefits to more than 1,225 food retail and wholesale member companies in the United States and around the world. FMI membership covers the spectrum of diverse venues where food is sold, including single owner grocery stores, large multi-store supermarket chains and mixed retail stores. For more information, visit *www.fmi.org* and for information regarding the FMI foundation, visit *www.fmifoundation.org*.

Background

Food retailers who participate in SNAP are required to submit annual applications, which are administered by FNS through its nationwide network of field offices. Any retailer that would like to accept SNAP benefits (EBT) must hold a valid permit and be licensed to participate in the Program. The submission of information is a mandatory pre-requisite for participation in SNAP. In 1978, FNS published a final rule affirming that the information furnished by food retailers was to remain confidential as required by section 9(c) of the Food Stamp Act ("The Act"). On February 2011, *Argus Leader,* a South Dakota newspaper submitted a FOIA request for all SNAP authorized retailer redemption data from 2005–2010. Relying on the 1978 rule, FNS denied the FOIA request prompting *Argus Leader* to challenge FNS' in-

[1] 79 *Fed. Reg.* 45175 (August 4, 2014).
[2] *Argus Leader Media* v. *U.S. Department of Agriculture,* 740 F.3d 1172 (8th Cir. 2014).

terpretation of the Act in a lawsuit. FNS' position was initially upheld in the district court but was overturned by the Eighth Circuit on appeal. The Eighth Circuit held that the requested information did not fall within the withholding contemplated by Section 9(c) of the Act and therefore the requested information was not exempt from disclosure under Exemption 3. The court did not address whether the information would be exempt from disclosure under another provision of FOIA, specifically whether SNAP redemption data would constitute confidential business information under Exemption 4.[3]

The SNAP Program Is a Crucial Safety Net for Low-Income Participants

The supermarket industry, which FMI represents, is proud to be a private sector partner with Federal and state governments in an effective, efficient way to reduce hunger and improve access to healthy food for our nation's poor. Serving 14% of the population, the SNAP program provides critical assistance to over 45 million people, almost ½ of whom are children.[4] FMI members provide innumerable goods and services under SNAP and the government relies heavily on retailers accepting SNAP benefits to provide food for low-income recipients across the country. A large number of FMI members were SNAP-authorized retailers from 2005 through 2010 and continue to support the program. In Fiscal Year 2013, supermarkets and superstores redeemed a significant portion of all SNAP benefits.[5] FNS reports that in 2013, almost $76 billion in client benefits were redeemed in the 252,962 participating stores, farmers markets, and others authorized retailers who accept SNAP. FMI members are an integral part of SNAP-authorized retailers, without whom the program would not run as effectively.

SNAP Retailer Redemption Data Should Not Be Disclosed Under FOIA Exemption 4

The Freedom of Information Act (FOIA) provides that any person has a right, enforceable in court, to obtain access to Federal agency records, except to the extent that such are protected from public disclosure by one of the nine exemptions prescribed in the Act. Exemption 4 under FOIA protects two distinct categories of information in Federal agency records: "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential."[6] In reviewing the legislative history of Exemption 4, it is clear that the objective is to prohibit the public disclosure of confidential business information that would damage or disrupt a particular company or industry. Exemption 4 serves two very important interests: that of the government in efficient operation and the protection for those persons who submit financial or commercial data to government agencies from the competitive disadvantages which would result from its publication.[7] "The exemption affords protection to those submitters who are required to furnish financial information to the government by safeguarding them from the competitive disadvantages that could result from disclosure."[8]

There was vast discussion about the importance of protecting this type of information during the 1963 FOIA hearings. For example, during hearings on S. 1666,5[9] a representative from the treasury stated that "we can see no reason for changing the ground rules of American business so that any person can force the government to reveal information which relates to the business activities of his competitor." A member of the subcommittee which conducted the hearings raised the issue again with respect to Small Business Administration loan applications: "I am thinking of a situation, for example, where the company couldn't qualify for funds, and they have exposed their predicament to the world and it might give competitors unfair advantage to know their weak condition at that time. I wonder if there might be some cases where it might be in the public interest if all the facts about a company were not made public."[10] In light of the context in which the exemption was drafted,

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[3] 5 U.S.C. 552(b)(4).
[4] "Putting Healthy Food Within Reach" USDA SNAP Report 2013.
[5] *Id.*
[6] 5 U.S.C. 552(b)(4).
[7] *Nat'l Parks & Conservation Ass'n* v. *Morton,* 498 F.2d 765, 770, 162 U.S. App. D.C. 223 (D.C. Cir. 1974).
[8] *See* Attorney General's Memorandum for Heads of All Federal Departments and Agencies Regarding the Freedom of Information Act (Oct. 12, 2001), *reprinted* in FOIA Post (posted 10/15/01) (recognizing fundamental societal value of "protecting sensitive business information").
[9] The text of this bill, as introduced, appears in Hearings on S. 1666 Before the Subcomm. on Administrative Practice and Procedure of the Senate Comm. on the Judiciary, 88th Cong., 1st Sess. 1–2 (1964) (hereafter, 1963 Hearings).
[10] *Id.*

it is clear that individual SNAP retailer redemption data is the precise type of highly sensitive sales and profit data the exemption seeks to protect.

SNAP Redemption Data Is Commercial Information Obtained from a Person

If information relates to business or trade, courts have little difficulty in considering it "commercial or financial."[11] The Court of Appeals for the District of Columbia Circuit has firmly held that these terms should be given their "ordinary meanings" and has specifically rejected the argument that the term "commercial" be confined to records that "reveal basic commercial operations," holding instead that records are commercial so long as the submitter has a "commercial interest" in them.[12] Individual SNAP redemption data constitutes commercial information because retailers have a commercial or financial interest in sales information which directly relates to their business.

For purposes of Exemption 4, the term "person" refers to individuals as well as to a wide range of entities, including corporations and state governments, who provide information to the government. Courts have further expanded the reach of Exemption 4 to explain that it is "sufficiently broad to encompass financial and commercial information concerning a third party" and protection is therefore available regardless of whether the information pertains directly to the commercial interests of the party that provided it—as is typically the case—or pertains to the commercial interests of another.[13] Participating SNAP retailers clearly fall within the definition of a person, which includes individuals and corporations who provide confidential information to the government in applications and annual SNAP redemption data. Thus, whether or not individual store SNAP redemption data is submitted directly by a retailer or is done through third-party EBT transactions, retailers would still be considered a person for purposes of Exemption 4.

Individual Store SNAP Retail Redemption Data Is Commercial Information

The second requirement under Exemption 4 requires the information submitted to be of a commercial nature. Under this prong, the person submitting the information to the government must show that they actually face competition. The food retail industry is a fiercely competitive market and supermarkets face meaningful day-to-day competition with their competitors who offer similar goods and services both within and outside certain geographical areas. Current profit margins in the industry are approximately one percent,[14] on average, and individual retailers are constantly trying to establish methods for increasing volume and sales to remain competitive. Intense competition over the past 2 decades in the U.S. food marketing system has spurred innovations and cost efficiencies.[15] Consumers have access to a wider range of products, services, and store formats that appeal to their preferences for convenience and quality.[16] The food retail industry is changing and has seen a recent shift from the traditional grocery store to other food retail formats. "In response to an eroding market share, traditional grocers are expanding the number and types of product offerings, designing new store formats, and using innovative in-store technologies."[17] "Globalization has meant that domestic retailers face increasing competition from foreign retailers operating in the United States. As food companies strive to maintain market share in the domestic food economy, largely limited by population growth, consumers are the beneficiaries of this heightened competition through diverse product offerings, new and improved services, and competitive prices."[18]

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[11] *See, e.g., Dow Jones Co.* v. *FERC,* 219 F.R.D. 167, 176 (C.D. Cal. 2002) (information relating "to business decisions and practices regarding the sale of power, and the operation and maintenance" of generators (quoting agency declaration).

[12] *Pub. Citizen Health Research Group* v. *FDA,* 704 F.2d 1280, 1290 (D.C. Cir. 1983).

[13] *Nat'l Parks & Conservation Ass'n* v. *Morton,* 498 F.2d 765, 770, 162 U.S. App. D.C. 223 (D.C. Cir. 1974).

[14] *Food Retailing Industry Speaks,* Food Marketing Institute, 2013.

[15] *Twenty Years of Competition Reshape the U.S. Food Marketing System,* Stephen Martinez and Philip Kaufman, United State Department of Agriculture, Economic Research Service, April 1, 2008.

[16] *Id.*

[17] *Id.*

[18] *Id.*

Individual Store SNAP Retail Redemption Data Constitutes Confidential Business Information

The test for determining whether information is confidential has been adopted by the courts and is referred to as the *National Parks* test.[19] Information is "confidential" under this prong if disclosure "is likely . . . to cause substantial harm to the competitive position of the person from whom the information was obtained."[20] Actual competitive harm need not be demonstrated for purposes of the competitive harm prong; rather, the evidence of "actual competition and a likelihood of substantial competitive injury" is all that need be shown.[21] As stated above, food retailers face significant competition with very slim margins. FMI believes that individual store SNAP redemption data constitutes confidential business information, which, if disclosed, would result in significant competitive harm to the food retail industry and should therefore be withheld under Exemption 4 of FOIA. Numerous types of competitive injury have been identified by the courts as properly cognizable under the competitive harm prong, including the harms generally caused by disclosure of: "(1) detailed financial information, such as a company's assets, liabilities, and net worth;[22] (2) a company's actual costs, break-even calculations, profits and profit rates; (3) data describing a company's workforce that would reveal labor costs, profit margins, and competitive vulnerability;[23] (4) a company's selling prices, purchase activity and freight charges; and (5)[24] market share, type of product, and volume of sales."[25] These last two competitive harms would clearly result from the required disclosure of store level SNAP redemption data.

The disclosure of individual store SNAP redemption data is proprietary information that could be used by supermarkets to analyze a competitor's current vulnerabilities, market share for SNAP participants and volume of sales that would result in significant harm to the competitive position of participating retailers. Disclosure would provide companies with valuable insights into the operational strengths and weaknesses of their competitors resulting in selective pricing, market concentration, expansion plans and possible take-over bids facilitated by knowledge of the financial information sought. Suppliers, contractors, labor unions and creditors too could use such information to bargain for higher prices, wages or interest rates, while the competitor's or suppliers unregulated information would not be similarly exposed.[26]

FMI notes that the information sought by the *Argus Leader* is not of the type that is disclosed through any other required public filings. For example, public companies are only required to disclose total sales figures for the entire company, not store level information. 10Ks and other financial filings do not disclose individual store sales, traffic numbers or store transactional information. Further, independent and non-public food retailers do not have to disclose overall or individual store sales at all. Disclosing SNAP redemption data for a non-public company would result in a significant departure from current practice and would provide competitors access to valuable, confidential sales data giving competitors a direct avenue into a private retailer's earnings. FMI members are similarly concerned that if the type of proprietary information sought is disclosed for a public company immediately prior to a quarterly filing with the SEC, investors and the public alike will use the valuable information to predict a company's earnings resulting in market changes and fluctuation in stock price.

Additionally, if individual SNAP data is disclosed, retailers will have prized information on redemption data geographically that could prompt and inform a competitor's expansion strategy into new markets with a large number of SNAP recipients. For example, if a retailer discovers that their competitor redeems 60% of the total SNAP benefits in a particular area they could develop targeted marketing and business strategies to increase market share and convert current SNAP recipients. Further, our members are concerned that disclosure of individual store SNAP redemption data could have a chilling effect on participation in the program by those most in need. In fact, some retailers indicate that the competitive harm caused by disclo-

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[19] *Nat'l Parks & Conservation Ass'n* v. *Morton,* 498 F.2d 765, 770, 162 U.S. App. D.C. 223 (D.C. Cir. 1974).

[20] *Id.*

[21] *See generally Public Citizen Health Research Group* v. *Food and Drug Admin.,* 704 F.2d 1280, 1291 n.30 (D.C. Cir. 1983).

[22] *See, e.g., Nat'l Parks,* 547 F.2d at 684.

[23] *See, e.g., Westinghouse Elec. Corp.* v. *Schlesinger,* 392 F. Supp. 1246, 1249 (E.D.Va. 1974), *aff'd,* 542 F.2d 1190 (4th Cir. 1976).

[24] *Lion Raisins,* 354 F.3d at 1081.

[25] Department of Justice Guide to the Freedom of Information Act (2008).

[26] *Nat'l Parks & Conservation Ass'n* v. *Morton,* 498 F.2d 765, 770, 162 U.S. App. D.C. 223 (D.C. Cir. 1974).

sure would lead to their departure from SNAP entirely. A large number of withdrawing SNAP retailers will ultimately result in diminished access for SNAP recipients and consolidation of participating stores.

The Disclosure of Individual Retailer SNAP Redemption Data Would Be Duplicative and Impose Unnecessary Costs in Government Administration of the Program with Little Corresponding Benefit to the Public

FMI urges FNS to consider the important role our members play in providing essential nutrition benefits to low-income populations. Public disclosure of individual retail SNAP redemption information would result in significant competitive harm to FMI members. It would create challenging and unnecessary burdens in administration of the program and a potential reduction in the number of recipients and participating retailers while providing no additional savings or value to the program.

FMI does not believe that disclosure of redemption data at the individual store level would improve the administration or enforcement of SNAP requirements. In the Act, Congress specifically limits disclosure of information received from applicants and participating SNAP retailers. USDA already publishes a state-by-state breakdown on the amount of benefits and percentage of authorized firms under SNAP. Additionally, existing USDA data breaks down reimbursement data by retailer type on an annual basis. There are 25 firm types, with classifications differentiated by sales volume, ratio of food sales, or whether firms specialize in one staple food group. Reporting and disclosing store level data on a monthly basis would significantly burden the administration of SNAP and would be an unfortunate use of such limited resources in administration and enforcement of the program.

Disclosure would create an unprecedented and unreasonable public information request in violation of long standing practices and criteria under FOIA that is certain to influence FOIA requests for years to come. FMI SNAP retailers are already required to meet stringent and comprehensive standards set by USDA to become authorized and therefore eligible to participate in the Program. Qualification is rigorous and requires significant documentation that includes verification of tax returns and tax filings. Tax filings and individual sales data information by definition are: "(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;" as expressly exempted from public request at FOIA.[27] We respectfully submit that the USDA's current policy of protecting the confidentiality of proprietary retailer financial information be maintained and, if needed, strengthened to clarify its policy in light of the *Argus Leader* litigation.

Similarly, FMI believes that Congress did not intend for SNAP redemption data to be public information under Section 9(c) of the Act. FMI agrees with FNS' interpretation and final rule codifying the interpretation that Section 9(c) prohibits the use or disclosure of "information furnished by firms, . . . including their redemption of coupons . . . except for purposes directly connected with the administration and enforcement of the Food Stamp Act and it's corresponding regulations."[28]

Should Aggregated Annual SNAP Redemption Data at the Individual Store Level be Released for Transparency Purposes?

Transparency and public accountability are of the utmost importance for retailers and our customers. FMI members are responding by providing with increased access to information on food, nutrition and the products that they carry—one example being the industry's voluntary Facts Up Front initiative to provide key information via icons on the front of packaging. Transparency that improves the efficiency of the program or the availability of important attributes of a product like nutrients or allergens may have value to customers and taxpayers. However, FMI does not see how disclosure of individual store SNAP redemption data will result in greater transparency in SNAP administration or greater value to customers, agencies or retailers. As stated above, the disclosure of the information sought will result in greater costs and challenges for administering states without a corresponding benefit to the public. SNAP redemption data is already publicly available by retail sector, state and locality and the competitive harm that would result from disclosure strongly outweighs the potential for minimal benefit to the petitioner for use in a published story.

FMI appreciates the opportunity to comment on this important matter. Please do not hesitate to contact me at *sbarnes@fmi.org* or (202) 220–0614 if you have any questions.

Sincerely,

STEPHANIE BARNES,

[27] 5 U.S.C. 552(b)(4).
[28] 79 *Fed. Reg.* 45175.

Regulatory Counsel.

The CHAIRMAN. Thank you, Ms. Hanna. Mr. Wright, 5 minutes.

STATEMENT OF JIMMY WRIGHT, OWNER, WRIGHT'S MARKET, OPELIKA, AL; ON BEHALF OF NATIONAL GROCERS ASSOCIATION

Mr. WRIGHT. Thank you, Congressman Rogers, for the kind introduction, and good morning, Mr. Chairman, Ranking Member Peterson, and Members of the Committee. My name is Jimmy Wright, and I am the owner of Wright's Market in Opelika, Alabama. It is an honor and privilege to be here with you today. I have been asked to testify today by the National Grocers Association on behalf of the independent supermarket community. The National Grocers Association is the national trade association representing the retailers and wholesalers that comprise the independent sector of the supermarket industry, including single full service supermarkets, such as Wright's Market, and multi-state regional chains. Wright's Market is a family-owned business. We are a full service, 22,000$^{2\prime}$ supermarket, and have accepted SNAP as a form of tender essentially since the store opened. Six of our 30 employees have worked at the store for over 20 years. We are very proud of our employees, and feel grateful that many chose to start and grow their careers at Wright's Market.

Two years ago, in an effort to better serve our customers, we began a shuttle service we call Wright 2 You for those customers who are not able to get to the store due to the lack of transportation. In addition, as we speak, we are launching an online ordering and home delivery service for our customers. We want to help those where coming to the grocery store is no longer an option. In the future I hope to work to expand the online delivery service to the rural areas in the counties surrounding my store, and we need the support of USDA to help facilitate that work, especially in the area of technology. As Congressman Rogers mentioned, I am proud to work with Focused Community Strategies out of Atlanta, and in 2015 I worked with them to open the Carver Neighborhood Market in an area that was previously a food desert. Prior to the opening of Carver, the nearest supermarket was 3 miles away, a 3 hour round trip bus ride for many of the residents of the neighborhood.

Thirty-seven percent of the retail sales at Wright's Market, and 25 percent of retail sales at Carver Neighborhood Market, are generated by customers using SNAP benefits. I believe it is an important program that helps families. Many SNAP customers in my store, especially elderly, struggle with the realization that they may need help, and enroll in the program. At Wright's Market we work to serve the SNAP customer with the same level of service and respect as we do anyone else. I know they do the same at Carver.

Carver Neighborhood Market had a difficult time getting their SNAP license. To me, this represents a problem with how retailer applications are processed. This is a store that is servicing an economically depressed area in a food desert. Representatives from Carver had their SNAP application pending for 2 months without response from the USDA. NGA got involved in the process, and was able to help get the application approved after 3 additional

weeks of processing time. I understand and appreciate that USDA does not, and should not, grant SNAP license to all businesses that request them, but I do believe that almost a 3 month wait time for approval, especially for a store opening in a food desert, is too long. I would encourage USDA to consider having a different application process for applicants moving to a food desert in order to expedite the process.

It is also important for USDA to become more efficient in processing the applications for supermarket owners in good standing with the program who are opening additional store locations. NGA appreciates the work USDA is currently undertaking to make this process more efficient for those operators with over ten stores. I would ask them to also prioritize streamlining the process for those operators in good standing who own less than ten stores. In regards to the administration of the SNAP Program, in 2013 Alabama moved to a staggered SNAP benefit scheduled. Benefits were staggered over 20 days of the month, rather than the previous 14 day period. Since these benefits were staggered, we can expect steady customer traffic throughout the month. Prior to this change, it was a challenge to keep items in stock when all recipients received their benefits on a shorter cycle.

In the future, I would also ask that there be a focus on the elderly as it relates to SNAP benefits. As the generation of baby boomers becomes a larger percentage of our nation's elderly population, I am concerned for many of them in regards to the increasing cost of medicine, and having enough money for food. My wife is a physician, and she sees patients having to make a choice between food and medicine, as they cannot afford both. These citizens come from a generation where you did not ask for help. I would ask you all to look for a way to reach out to these people. Find a way to make the SNAP application process one that helps us take care of the people who have taken care of us. The SNAP Program, in my opinion, is one of the most important and efficient programs our nation offers. In our own business, it creates jobs. In our community, it helps those who are in need.

In closing, I would encourage any of you who have questions about SNAP at the retailer level to visit an independent supermarket in your district. There are independent operators in every Congressional district, and visiting a store is a wonderful way to learn more about how the program works from a retailer perspective. I am grateful for the opportunity to testify here today, and I appreciate your oversight of the program, your service, and your leadership to our nation.

[The prepared statement of Mr. Wright follows:]

PREPARED STATEMENT OF JIMMY WRIGHT, OWNER, WRIGHT'S MARKET, OPELIKA, AL; ON BEHALF OF NATIONAL GROCERS ASSOCIATION

Good morning Mr. Chairman, Ranking Member Peterson, and Members of the Committee. My name is Jimmy Wright, and I am the owner of Wright's Market in Opelika, Alabama. It is an honor and a privilege to be here with you today.

I have been asked to testify today by the National Grocers Association on behalf of the independent supermarket community. The National Grocers Association is the national trade association representing the retailers and wholesalers that comprise the independent sector of the supermarket industry, including single full service supermarkets such as Wright's Market, and multi-state regional chains. The independent supermarket industry is accountable for close to one percent of the na-

tion's overall economy and responsible for generating $131 billion in sales, 944,000 jobs, $30 billion in wages, and $27 billion in taxes. Defined as a privately held, family owned, or employee owned business, independent supermarket operators run businesses of all formats and sizes, serving a wide range of customers in their local communities. Having often been in business for generations, independent grocers are dedicated to their customers, associates and communities.

I have served as a member of the NGA Board of Directors since 2012. I also serve as the President of the Opelika Community Development Corporation, and have previously served on the Board of Directors for the Opelika Chamber of Commerce, East Alabama Services for the Elderly, and the Miracle League. My wife Susan, daughter Emily, and I are members of the First Baptist Church of Opelika.

Wright's Market is a family owned business. My store originally opened as a small 2,100$^{2'}$ convenience store in 1973. I worked there as a student in high school, and purchased the store from my previous employer in 1997. My store has expanded over the years to its current size of 22,000$^{2'}$. We are a full service supermarket and have accepted SNAP as a form of tender essentially since the store opened. We have 32 employees, 18 of which are full time. Six of our employees have worked at the store for over 20 years. We are very proud of our employees and feel grateful that many chose to start and grow their careers at Wright's Market. Our employees and our connection with the community make me proud to run this business. We regularly donate to community causes, not only financially, but also with time spent working with various organizations in our community to make Opelika a better city for all. Independent grocers are uniquely positioned to serve their communities, and I am grateful to have the opportunity to give back in many different ways to my hometown.

Two years ago, in an effort to better serve our customers, we began a shuttle service we called "Wright 2 U" for those customers who were unable to get to the store due to lack of transportation. In addition, as we speak, we are launching an online ordering and home delivery service for our customers. We hope to use this program to reach those who are physically homebound. We want to help those where coming to the grocery store is no longer an option.

In 2012, I formed a relationship with Focused Community Strategies (FCS), an Atlanta based nonprofit ministry that is working to revitalize a neighborhood in south Atlanta. In 2015, I worked with them to open the Carver Neighborhood Market in an area that was previously a food desert. FCS wanted to convert an old thrift store into a small grocery store. Prior to the opening of Carver Neighborhood Market, the nearest supermarket was 3 miles away. This short distance was often a 3 hour round trip bus ride for many residents of the neighborhood. From the beginning, we knew we would struggle with supplying the store. Contracting with a traditional wholesaler wasn't going to be an option available to Carver since the projected sale volume of the store would be fairly low in comparison to a larger store, so I offered to serve as their supplier. I have one truck that travels between Opelika and Atlanta to deliver to Carver Market. With Wright's Market's buying volume, it allows Carver Market to offer products to the residents of the neighborhood at affordable prices. This helps solve the two biggest issues in the food deserts of America—accessibility and affordability.

Thirty-seven point one percent of retail sales at Wright's Market and 25% of the retail sales at Carver Neighborhood Market are generated by customers using SNAP benefits. I believe it is an important program that helps families. From my perspective, for the most part, SNAP recipients are very efficient shoppers. They try to use the benefits allocated to them to purchase as much food as possible for their families. While we do hear stories about some who may take advantage of the program, that is, in our view, a very small portion of those who receive the benefits. Many SNAP customers in my store, especially the elderly, struggle with the realization that they need help and must enroll in the program. I believe that, overall, the program serves a great purpose for families, especially children and the elderly who are in need. At Wright's Market, we work to serve the SNAP customer with the same level of service and respect as we do anyone else. I know they do the same at Carver Neighborhood Market.

Carver Neighborhood Market had a difficult time getting their SNAP license. To me, this represents a problem with how retailer applications are processed. This is a store that is servicing an economically depressed area in a food desert. Participation in the program was and is essential to Carver's success. Representatives from Carver had their SNAP application pending for 2 months without response from the USDA. NGA got involved in the process and was able to help get the application approved after about 3 additional weeks of processing time.

I understand and appreciate that the USDA does not and should not grant SNAP licenses to all businesses that request them. But I do believe that an almost 3

month wait time for approval, especially for a store opening in a food desert, is too long. Carver was unable to open prior to receiving their license since so many members of the community they serve are SNAP recipients. I would encourage the USDA to consider having a different application process for applicants moving into a food desert in order to expedite that process. These business owners are working against many obstacles in order to open supermarkets in these under-serviced areas. I would like to see the USDA be a better partner in this regard.

It is also important for the USDA to become more efficient in processing applications for supermarket owners in good standing with the program who are opening additional store locations. It seems inefficient to force those retailers who are in good standing to go through the same application process as those stores that are coming on the program for the first time. NGA has worked with stores that have been SNAP retailers for over 30 years without incident and still have to go through the same long application process when opening an additional location. NGA appreciates the work the USDA is currently undertaking to make this process more efficient for those operators with over ten stores, but would ask them to also prioritize streamlining this process for those operators in good standing who own less than ten stores. We would appreciate any improvements the USDA can make to ease this process in the future.

With regards to the administration of the SNAP program, in 2013 Alabama moved to a staggered SNAP benefit schedule. Benefits are staggered over 20 days of the month rather than the previous 14 day period. The first day benefits are issued is the 4th of each month and the last day is the 23rd. This has been a tremendously helpful change in policy for retailers. Since these benefits are staggered, we can expect steady customer traffic throughout the month. Prior to this change, it was a challenge to keep items in stock when all recipients received their benefits on a shorter cycle. I am appreciative that the Alabama Department of Human Resources has made this change.

In addition, I can say that we did notice a decrease in participant's stories about people committing fraud in the program when it changed from paper stamps to an EBT card. We also saw a huge increase in efficiencies at the store level. I no longer have to have a member of our team stamp the paper vouchers and physically take them to the bank to be reimbursed for those purchases. Having the system automated and integrated with our other electronic payments has made all the difference in helping improve the program for the participant and the retailer partner. With that said, I also believe strongly that any and all fraud in the program should not be tolerated, on either the retailer or participant level, and should be pursued aggressively by the USDA.

In the future, I hope to work to expand our online delivery service to the rural areas in the counties surrounding my store. Many of these areas are without access to fresh foods and I believe we can solve that issue by making regular deliveries into those areas. I would appreciate the support of the USDA to help facilitate that work, especially in the area of technology. We need to be able to accept and process SNAP benefit cards on-site at customers' homes or in a central delivery location.

In the future, I would also ask that there is a focus on the elderly as it relates to SNAP benefits. As the generation of Baby Boomers becomes a larger percentage of our nation's elderly population, I am concerned for many of them in regards to the increasing cost of medicine and having enough money for food. As I work in our community, I meet many elderly people who are struggling financially. My wife is a physician and she sees patients having to make a choice between food and medicine, as they cannot afford both. These citizens come from a generation where you did not ask for help. Many of them struggle with the fact that they are not able to care for themselves. These people have worked hard all their lives, paid their taxes, built our communities, served our country, and now find themselves struggling for the basic necessities of life. I would ask you all to look for a way to reach out to these people. Find a way to make the SNAP application process one that helps us take care of the people who have taken care of us.

The SNAP program, in my opinion, is one of the most important and efficient programs our nation offers. In our own business, it creates jobs. In our community, it helps those who are in need. I appreciate your oversight of the program and your service and leadership of our nation.

The CHAIRMAN. Thank you, Mr. Wright. Mr. Beech, 5 minutes.

STATEMENT OF DOUGLAS M. BEECH, J.D., LEGAL COUNSEL AND DIRECTOR OF GOVERNMENT RELATIONS, CASEY'S GENERAL STORES, INC., ANKENY, IA; ON BEHALF OF NATIONAL ASSOCIATION OF CONVENIENCE STORES

Mr. BEECH. Chairman Conaway, Ranking Member Peterson, and Members of the Committee, thank you for giving me this opportunity to testify regarding the Supplemental Nutrition Assistance Program, or SNAP. My name is Doug Beech, and I am Legal Counsel and Director of Government Relations for Casey's General Stores. Headquartered in Iowa, Casey's has 1,931 stores spread throughout 14 midwestern states, and employs approximately 34,000 people. Casey's is a member of the National Association of Convenience Stores.

Our stores are fixtures in local communities not only because of the products and services we provide, because of the employment opportunities we offer. Fifty-seven percent of our stores are located in towns of 5,000 people or less, so we serve rural America. Casey's is a proud participant of SNAP. Virtually all of our 1,931 stores participate in the program, and we process roughly 5.5 million SNAP transactions every year. Half of our stores are open 24 hours, 7 days a week so we can provide SNAP and non-SNAP customers with geographic convenience and extended hours in which to shop for food. In fact, approximately 220 of our stores are located in communities where we are the only business where SNAP recipients can redeem their benefits in the community, the only place they can get bread and milk.

Unfortunately, on February 17, the Food and Nutrition Service proposed a new rule regarding SNAP retailer eligibility requirements that will push all of the Casey's stores, and tens of thousands of small retailers, out of SNAP. The proposed rule would change the definitions of *staple foods* that stores must carry in order to participate in SNAP. It would change the number of staple foods that stores must have on their shelves at all times in order to qualify for the program. And the rule would impose arbitrary disqualification from the program for all stores that sell too many heated foods. I will briefly explain the problems from this part of the rule.

The rule makes changes to the definition of *staple foods* to exclude multiple food items, such as stews, soups, and frozen dinners, allowing them to be counted towards our stocking requirements. Large numbers of the basic items that stores of all kinds sell have multiple ingredients in them. These foods have been treated as staple foods for a long time, and American consumers are provided savings and convenience in food preparation. The proposal would require retailers to publicly display at all times at least six units of every one of seven single food ingredients, and varieties in four staple food categories, a total of 168 items to qualify for the program. Practically speaking, Casey's, and most convenience stores, will have to stock far more than 168 items to remain in compliance for the items we sell each week.

Casey's stores are larger than average convenience stores, and have very limited storage space. It is our practice to only have two units of a particular item on a shelf at a given time. This is generally because we don't have room for more. We are limited by our

distribution practices. We only deliver to our stores once a week, and use store-driven data to determine how many units of a particular item to deliver to each store in order to maximize sales, and minimize spoilage. This proposal will mean either the stores leave the program, or more food will spoil or be wasted before it can be sold, or both.

In addition to the stocking requirements, the proposal's change to the definition of *variety* will cause problems. The new definition would say that two types of the same items, like two kinds of meats, are no longer varieties of staple food, but just one variety. For example, sliced ham and bacon would be one item. This dramatically changes the qualifications for SNAP retailers. To meet the variety requirements in the meat category alone, Casey's would have to stock items, like duck and lamb, that we don't stock today because they don't sell.

On top of these problems, the proposal says that if a SNAP retailer has 15 percent or more of its total food sales in items that are cooked or heated before or after the purchase, the retailer would be automatically ineligible to participate in SNAP. That is true even if the heated foods are sold exclusively to all non-SNAP customers, or if the heated foods are sold by a separate business, like a fast food entity, that just happens to operate out of our space. This provision alone will knock out virtually all 1,931 of our stores from the program. Not only would this be a loss for our company, but it would be a loss for the customers that rely on our business.

If a chain like Casey's can't meet this requirement, we believe that the whole industry won't. So we would ask that you keep eligibility for customers like us, and I hope that we don't make these changes. Thank you.

[The prepared statement of Mr. Beech follows:]

PREPARED STATEMENT OF DOUGLAS M. BEECH, J.D., LEGAL COUNSEL AND DIRECTOR OF GOVERNMENT RELATIONS, CASEY'S GENERAL STORES, INC., ANKENY, IA; ON BEHALF OF NATIONAL ASSOCIATION OF CONVENIENCE STORES

The Past, Present, Future of SNAP: Retailers Are Critical Partners in Carrying Out the Program

My name is Douglas M. Beech. I am the Legal Counsel and Director of Government Relations for Casey's General Stores, Inc. ("Casey's") and I appreciate the opportunity to appear before you today to share my views regarding the Supplemental Nutrition Assistance Program ("SNAP" or "the Program").

I am testifying today on behalf of the National Association of Convenience Stores ("NACS"). NACS is an international trade association representing more than 2,200 retail and 1,800 supplier company members in the convenience and petroleum retailing industry. NACS member companies do business in nearly 50 countries worldwide, with the majority of members based in the United States. In 2015, the industry employed more than 2½ million workers and generated $574.8 billion in total sales, representing approximately 3.2 percent of the United States' GDP—or $1 of every $30 spent. The majority of the industry's 154,000+ stores consist of small, independent operators. More than 70 percent of the industry is composed of companies that operate ten stores or fewer, and 63 percent of them operate a single store. While many people associate convenience stores with gasoline sales, in-store sales are becoming an increasingly significant portion of our business and account for ⅓ of our industry's gross profit dollars.

Casey's General Stores, Inc. is headquartered in Ankeny, Iowa. What started off as a small family run business has turned into a multi-state chain with a total of 1,931 stores spread throughout Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Tennessee, and Wisconsin employing approximately 34,000 people. Our stores are im-

portant fixtures in local communities not only because of the products and services we provide but also because of the employment opportunities we offer. Fifty-seven percent of our stores are in towns of 5,000 people or less and 25 percent of our stores are in towns of 5,000 to 20,000 people. Our stores are famous for selling not only traditional grocery items, but also pizza and other prepared foods. In fact, approximately 40 percent of our total food sales come from prepared food items. Casey's looks forward to continued growth. Over the last 5 fiscal years we have added 170 newly constructed sites and acquired 214 additional locations. In Fiscal Year 2016, Casey's hopes to build or acquire approximately 80 stores and complete 100 major store remodels. In February of this year, Casey's marked its continued growth by opening its second distribution center, located in Terre Haute, Indiana.

Due to Casey's presence in rural towns and cities throughout the Midwest, we understand the important role convenience stores and other small format retailers play in providing food to low-income families through the Supplemental Nutrition Assistance Program ("SNAP" or the "Program"). For this reason, Casey's is particularly concerned with the February 17th proposed rule put forth by the U.S. Department of Agriculture's ("USDA") Food and Nutrition Service ("FNS" or "Agency"). This proposed rule will alter the eligibility requirements that retailers must meet to participate in the Program, and would push all of our stores—and tens of thousands of other small format retailers—out of SNAP. Below, I offer more detailed comments about our role in the Program and the potential consequences of the proposed rule.

I. Casey's Is a Proud and Valuable Participant in SNAP

Casey's stores have been participating in SNAP for over 30 years. Of our 1,931 stores, virtually all are authorized and do accept SNAP customers. In fact, Casey's stores process roughly 5.5 million SNAP transactions per year. Most of our licensing goes through the FNS office near the District of Columbia, and we have never had any problems with that process or working with FNS.

Our stores, and convenience stores throughout the country, provide consumers with convenient locations and extended hours in which to shop for food. Approximately ½ of our stores are open 24 hours per day, 7 days a week—so we are always accessible for customers to come in to purchase food items they may need, whenever they need them. As mentioned above, a majority of Casey's stores are located in communities with a population of 5,000 or less, and many of these communities do not have larger format retailers like grocery stores in their town. While this can also be the case in urban communities, Casey's experience exemplifies the trend in rural communities. *Convenience stores like Casey's are frequently the only source of many grocery items in these communities and the only location where SNAP recipients can redeem their benefits.*

By participating in the Program, our stores serve as an essential access point for SNAP recipients. We enable recipients to purchase a wide variety of foods that Congress has determined may be purchased with SNAP benefits. Casey's has determined that up to 220 of our stores are the only location in the community where SNAP recipients can redeem their benefits and in many other communities we are the only location to use SNAP benefits after a late work shift ends or before one begins. Accordingly, having Casey's in the Program saves many SNAP recipients' time and resources by not having to travel outside their home community to pick up such items as bread and milk.

In addition, Casey's works hard to ensure the integrity of the Program. As a sophisticated SNAP participant, Casey's utilizes a modern point of sale system, which differentiates between almost 2,900 SNAP-eligible products we sell and our SNAP-ineligible products at the checkout, to ensure that only permissible products are purchased with SNAP benefits. Every day, Casey's stores and employees strive to make the shopping experience of all its customers, including a significant number of SNAP beneficiaries, efficient and pleasant. Although Casey's hopes that one day no Americans will be food-insecure and SNAP will become obsolete, until that day comes, we hope to remain an active participant in SNAP in order to provide important food access to thousands of citizens who need it.

II. FNS' Retailer Eligibility Proposed Rule Will Push Almost All of Our Stores Out of SNAP

On February 17, 2016, USDA's FNS issued a proposed rule that would significantly modify retailer eligibility requirements in SNAP. The proposal is intended to implement updated "Depth of Stock" requirements contained in the Agriculture Act of 2014, commonly known as the 2014 Farm Bill.

As this Committee is well-aware, during negotiations over the 2014 Farm Bill, Congress recognized the important role that small format retailers play in SNAP, particularly their role as access points for SNAP beneficiaries. After extensive nego-

tiations between lawmakers and stakeholders, Congress adopted changes to the so-called "depth of stock" requirements—the requirements that address the amount and variety of food a retailer must have in stock to participate in SNAP as a retail food store. By enacting these provisions, Congress sought to increase choices for SNAP beneficiaries while ensuring that those enhanced depth of stock requirements were not unduly burdensome for retailers. Congress recognized that unduly burdensome eligibility requirements would hurt small businesses and result in restricted access for SNAP beneficiaries. NACS—and Casey's—supported this compromise and supported the final 2014 Farm Bill.

The proposed rule would codify the updated depth of stock requirements as contained in the 2014 Farm Bill. These provisions, which were based on the existing definitions of staple foods, require retailers to offer at least seven different varieties of food items in each of the four staple food categories, including one perishable item in three of those categories. This was the compromise reached by Congress and broadly supported as a way to increase nutritional choices for SNAP recipients without overburdening small retailers. *However, FNS went far beyond Congressional intent in its proposed rule and included several additional provisions that will push Casey's stores and tens of thousands of other small format retailers out of the Program.*

Under the proposal, the definition of a retail food store is modified to exclude any retail outlet with more than 15% of its total food sales in items that are "cooked or heated on site before or after purchase." This measure applies to all food sales—not just SNAP food sales. And, this exclusion applies even to separate companies doing business under the same roof, such as a Subway or other fast food franchise that has a point of sale in the same building as a convenience store. If two food businesses operate under the same roof, FNS will consider their total food sales jointly to determine whether that 15 percent threshold is met. Unlike other convenience stores where they may have a separate food franchise doing business under the same roof, Casey's prepared foods are sold in our store along with our traditional grocery items. **Nevertheless, this provision alone would disqualify virtually all of Casey's stores from participating in SNAP.** Even though SNAP recipients cannot redeem their benefits on hot foods, this provision would penalize us for meeting our non-SNAP customers' desire for prepared foods.

Frankly, what foods we sell to non-SNAP customers should not be FNS' concern. They don't regulate those sales and those customers would be offended to know that FNS wants to penalize them (and us) for buying prepared food in our stores. And make no mistake; this would penalize all our customers, not just SNAP customers. If you take away our SNAP customers, that reduces our business and changes our economic model. That can mean fewer stores and jobs in many small towns. To make those negative changes based on sales that the Federal Government has nothing to do with makes no sense.

In addition to this 15 percent prepared foods threshold, the proposed rule makes several significant changes to the stocking requirements that would make it very difficult for Casey's stores or any other small stores to continue to participate in SNAP. For example, the proposed rule would alter the definition of "staple foods" to exclude multiple ingredient items—such as soups, stews, and frozen dinners—from being counted towards depth of stock requirements. While these foods would remain acceptable items for participants to purchase with their SNAP benefits, they have long been treated as staple foods. For many families, of course, these are staple foods. Have you ever prepared a frozen meal for yourself or your family? Have you made them a can of soup? FNS is now trying to tell you that isn't good enough. We all know these are foods we eat and families around the country eat them. There is absolutely nothing wrong with that.

And, there is nothing inherently healthier about single ingredient foods—like a bag of flour—than multiple ingredient foods. Yogurt with fruit, packaged salads, mixed vegetables, fruit salads, and many more are multiple ingredient items. The fact that more than one thing is in there does not make those items less healthy, but it can make it easier for someone to turn them into a meal. Perhaps FNS would like a world in which SNAP beneficiaries could spend all day preparing meals from scratch for their families. But that is not the world in which Americans live today—whether they participate in SNAP or not. American families want convenient foods that are easy to prepare. Casey's and other convenience stores provide those foods.

A large percentage of the traditional grocery items that Casey's stores stock are multiple ingredient items. A change in the definition of "staple foods" to exclude these items from the depth of stock requirements only serves to make it more difficult for Casey's and other small format retailers to participate in the Program.

If this were not enough, FNS also proposes to require retailers to publicly display at least six stocking units for each of the seven single-ingredient food varieties in

all four staple food categories, a total of 168 items, to qualify for the program. In reality, a retailer must stock far more than these 168 items since the retailer would need to replace any item that is purchased in order to remain in compliance with the regulations. As a practical matter, Casey's—and most convenience stores—will have difficulty complying with this requirement. In fact, many larger stores such as groceries have times when they run low on particular foods before they get their next delivery. Should those difficulties, including at times when there is unusually high demand for particular foods, disqualify stores from SNAP?

On average, Casey's stores are between 2,500$^{2\prime}$ and 4,000$^{2\prime}$, and there is limited storage space outside of the store floor. With this in mind, it is our practice to store approximately two units of a particular item on a shelf at any given time. Frankly, we don't have room to put six of every SNAP required item on a shelf. We don't tend to do that even for some of our fastest-selling items. There just isn't enough space. And, we're among the largest stores in our industry. I believe it would be extremely difficult for any convenience store, and even small grocers, to ensure that it stocks 168 of exactly the right combination of staple items at all times.

Even though we are a vertically integrated company and self-supply and distribute, our distribution practices conform to industry averages—and our stores only get deliveries one time per week. We use store-driven data to determine how many units of a particular item to deliver to each store each week in order to maximize sales and minimize spoilage. We will not be able to deliver and stock extra items solely for the purpose of meeting the SNAP stocking requirements, particularly in light of the proposed definition of "variety," which does not reflect economic reality or American eating habits. And, because many of these products will need to be perishable, we would need to stock so many items to make up for the ones we sold before the next delivery that we would end up spoiling and wasting a lot of food.

In addition, FNS has proposed to change the meaning of the term "variety" in a way that will make it even more difficult for small format retailers to meet the depth of stock requirements. FNS' rule says that two different varieties of a food will no longer count as two different varieties of staple foods. For example, two meats from the same animal—sliced ham and bacon or roast beef and ground beef—would no longer count as different "varieties" for retailer eligibility requirements. This is absurd and fundamentally changes the way the Program has always worked. In order to meet the requirements for variety in the "meat, poultry, or fish" category, for example, FNS has listed duck, catfish, shrimp, lamb, and tofu as acceptable variety options. Without listing those types of items, it's hard to see how a retailer could stock seven different varieties in the meat group with FNS' odd, new definition. Casey's—and many of the supermarkets in the state we operate—doesn't stock lamb, duck or tofu today, because such items do not sell. If we have to stock those items, we will be forced to cede shelf space to those items at the expense of better selling items. This applies to all of the staple food categories. Having two varieties of hard cheeses, for example, no longer will count as two varieties of staple foods. Having two varieties of bread from the same type of flour—such as sliced white bread and hamburger rolls—will no longer count as two varieties of staple foods. The list of absurdities grows with every example.

If FNS has to count tofu as a staple meat in our stores in Iowa to try to make its new rules sound plausible, that is a good indication that something is seriously wrong. Trying to comply with this odd change of definitions will mean huge losses of sales of more popular items and significant spoilage costs as FNS' favored foods go bad on our shelves.

To summarize, under FNS' ill-advised proposed rule, Casey's will be required to stock at least *six* stocking units of *seven* single-ingredient varieties of staple foods in each of the *four* staple food categories, including one perishable item in at least three of the categories—an unwieldy task. In proposing these requirements, FNS went far beyond the compromise reached by Congress, and the end result will be the elimination of tens of thousands of convenience stores from the Program. **This includes the elimination of all Casey's stores as SNAP retailers.** If a larger sophisticated chain like Casey's will not be able to comply with this proposal, I find it hard to believe that any single-store operators or small chains could.

While the loss of Casey's participation in SNAP would be unfortunate for our company, more importantly, it would be detrimental to SNAP recipients who rely on our stores to redeem their benefits. It will be these recipients who face increased travel and convenience burdens, and possibly the complete loss of access to the food they need. Our company located stores in smaller communities for a reason—because we knew those communities needed a retail food store. Since then, we have gotten to know our customers and truly become a fixture in those communities. It is disheartening to consider the potential effects of FNS' proposed rule on those communities and the low-income Americans who are seeking to provide food for their families.

In the 2014 Farm Bill, Congress properly balanced the need to increase food choices for SNAP recipients while ensuring small format retailers could participate as SNAP retailers. FNS has gone far beyond the compromise made by Congress and is endangering the Program and the people who rely on it for their food.

The CHAIRMAN. Thank you, Mr. Beech. Mr. Martincich?

STATEMENT OF CARL MARTINCICH, VICE PRESIDENT OF HUMAN RESOURCES AND GOVERNMENT AFFAIRS, LOVE'S TRAVEL STOPS AND COUNTRY STORES, OKLAHOMA CITY, OK; ON BEHALF OF NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS (NATSO) REPRESENTING AMERICA'S TRAVEL PLAZAS AND TRUCKSTOPS

Mr. MARTINCICH. Good morning, Chairman Conaway, Ranking Member Peterson, and Members of the Committee. I am Carl Martincich, the Vice President of Human Resources and Government Affairs with Love's Travel Stops and Country Stores, headquartered in Oklahoma City. I am honored to testify today on behalf of the National Association of Truck Stop Operators, but I am also here representing our customers. It is important to begin by discussing the business model under which truckstops operate, as well as the vital and growing role that we play in the SNAP Program.

Our industry is diverse and evolving. Every location includes multiple profit centers, from fuel sales and auto repair and supply shops, to hotels, sit down restaurants, quick service restaurants, food courts, and convenience stores. Truck stops that once tailored exclusively to truck drivers now cater to the entire traveling public, and the local populations that live in close proximity to the travel center location.

Many NATSO members' convenience stores redeem SNAP benefits. Because we are typically located in rural areas with few other places for disadvantaged residents to purchase food, SNAP consumers often rely on our stores. If we did not participate in SNAP, many program beneficiaries would be forced to travel long distances to purchase eligible products. This would be not only inconvenient, but for many of our customers, virtually impossible, as many SNAP recipients do not have a reliable means of transportation.

Our experience with SNAP today is excellent. There are very few administrative complexities or glitches, and USDA staff is professional and helpful. By the end of this year, my company will have over 400 locations in 40 states to redeem SNAP. When it comes to providing healthy food options, we have always been on the cutting edge of the industry. Today we offer a wide variety of fresh, healthy food items. We do this because our customers demand it, and we respond to our customers.

However, as a staunch supporter of our customers, and the SNAP Program, Love's is extremely concerned with the USDA's recently proposed SNAP rule, which is completely incompatible with our business model. For example, it includes a provision stipulating that no more than 15 percent of a SNAP retailer's total food sales can be for items that are cooked or heated on-site. A fundamental feature of travel plazas is that we have both convenience stores

and restaurants at one location, open 24 hours a day. This is integral to our business model.

Only the convenience stores at our travel plazas redeem SNAP benefits. Our restaurants do not. Nonetheless, the proposed rule would combine food sales across all of these different food serving entities, and impose a 15 percent cap on food sales for items cooked or heated on site. Virtually no truckstop would satisfy this criteria. This would not further the program's purpose to provide access to healthy food choices for the nation's most vulnerable citizens. In fact, it threatens the achievement of this purpose by permitting USDA to make arbitrary decisions, denying qualified retailers' applications. This, in turn, denies SNAP customers a convenient source for food.

If one of our convenience stores is eligible to participate in SNAP based on USDA's guidelines, it should not be rendered ineligible simply because we also operate a restaurant adjacent to that store. In addition, the proposed rule contains a number of provisions revising SNAP's depth of stock requirements. Among other things, it imposes a 14-fold increase in the number of items retailers must stock in order to participate. These provisions are unworkable for small format retailers. USDA's proposed rule should be revised substantially before it is finalized.

In closing, I urge the Department of Agriculture and Members of this Committee to evaluate retailer eligibility from the beneficiaries' perspective. Beneficiaries are often in a position where balancing life's demands require them to prefer affordable, quick, and easy meals for the families to eat. We should not turn this into a luxury unavailable to the SNAP recipients who live in the rural areas near our locations. Indeed, it is a situation that everybody, from the witnesses testifying before you today, to the Members of this Committee, officials at USDA, members of my own family often confront. Let us not lose sight of the fact that the SNAP Program is designed to make the lives of America's most economically vulnerable citizens easier, rather than harder. I am hopeful that the travel plaza industry can continue serving these customers, and playing our part in fulfilling this purpose for many years to come. Thank you for the opportunity to testify today. I am happy to answer any questions as well.

[The prepared statement of Mr. Beech follows:]

PREPARED STATEMENT OF CARL MARTINCICH, VICE PRESIDENT OF HUMAN RESOURCES AND GOVERNMENT AFFAIRS, LOVE'S TRAVEL STOPS AND COUNTRY STORES, OKLAHOMA CITY, OK; ON BEHALF OF NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS (NATSO) REPRESENTING AMERICA'S TRAVEL PLAZAS AND TRUCKSTOPS

Summary of Testimony

1. The travel plaza and truckstop business is a diverse and evolving industry. Every travel plaza and truckstop includes multiple profit centers, catering to not only professional truck drivers, but to the entire traveling public, as well as the local population that lives in close proximity to a travel center location.
2. The travel plaza industry plays a vital and growing role in the Supplemental Nutrition Assistance Program (SNAP). Many NATSO members' convenience stores redeem SNAP benefits. These stores are often located in rural areas with few other places for local, economically disadvantaged residents to purchase food. Such residents often rely on NATSO members' stores. If these

stores did not participate in SNAP, many SNAP beneficiaries would be forced to travel long distances to purchase SNAP-eligible products.

3. Although Love's' initial experience with the Food Stamp program at the beginning of the last decade was not favorable, most of those issues have been resolved. Today, our experience with SNAP is excellent. There are very few administrative complexities or glitches, and USDA staff is professional and helpful. Some potential areas for improvement include allowing retail sites to test SNAP point-of-sale equipment before it goes live, and providing a self-serve mechanism inside the store for beneficiaries to check their account balances prior to making purchasing decisions.
4. Love's has always been on the cutting edge of the industry when it comes to providing healthier food options for the consumer. We are driven by consumer demand, and have responded to our customers' evolving demands for healthy food items in a variety of ways. One example is our grab-and-go fresh fruit program, where we display a variety of fresh fruits (apples, bananas, fruit cups, *etc.*) in a high value, high visibility area near the cashier stand.
5. Love's is extremely concerned with a recent proposed rule issued by the USDA. The proposal would effectively ban the truckstop and travel plaza industry from continuing to redeem SNAP benefits, harming not only these businesses but more importantly the beneficiaries who have come to rely on them to buy food for their families. Because recipients in these areas often have limited or no transportation to get to a qualified store, reducing the number of redemption points in this manner would leave them with even fewer options. USDA and the Members of this Committee should consider the beneficiary's perspective as it considers retailer eligibility policy. The USDA's proposed rule should be revised substantially before it is finalized.

Introduction

Chairman Conaway, Ranking Member Peterson, and Members of the Committee, thank you for the opportunity to testify today. My name is Carl Martincich. I am the Vice President of Human Resources and Government Affairs at Love's Travel Stops and Country Stores headquartered in Oklahoma City, Oklahoma.[1] I am testifying today on behalf of NATSO, the national trade association Representing America's Travel Plazas and Truckstops.[2]

The travel plaza and truckstop business is a diverse and evolving industry. Every travel plaza and truckstop location includes multiple profit centers, from motor fuel sales and auto-repair and supply shops, to hotels, sit-down restaurants, quick-service restaurants and food courts, and convenience stores. It is an evolving industry that once was tailored solely to truck drivers, and now caters to the entire traveling public, as well as the local population that lives in close proximity to a travel center location.

Convenience stores located at travel plazas are increasingly offering fresh food and meals for our customers to purchase and eat at home. Healthy food options have increased significantly in the industry as customer demands have continued to evolve. As an industry that prides itself on recognizing and adapting to our customers' needs, we realize that often times we are the most convenient place for the local population to shop for food. The industry has responded, and hopes to continue to grow in the fresh and prepared food space.

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[1] Founded in 1964 and headquartered in Oklahoma City, Love's Travel Stops & Country Stores and its affiliated companies have over 15,000 employees, 370 retail locations in 40 states, 230 truck tire care facilities, 700 fuel transport trucks, 1,000 rail cars, seven fuel terminals, and five hotels throughout the United States. Love's is one of the largest food service operators in the country, owning and operating hundreds of quick service restaurants and over twenty popular brands. Love's is currently No. 14 on the Forbes list of America's largest private companies. Love's is a family-owned business, and includes Executive Chairman Tom Love, Co-CEO Frank Love, Co-CEO Greg Love and Vice President of Communications Jenny Love Meyer.

Carl Martincich is the Vice President of Human Resources and Government Affairs for Love's Travel Stops & Country Stores. He is responsible for all human resource functions including recruiting, training, payroll and benefits. Carl is also responsible for the direction of various government affairs initiatives at both the state and Federal level. Carl joined Love's in 1982, beginning his career in store operations managing a single convenience store and then progressed to multi-unit supervision directing 60 stores in five states. He moved into the corporate office in the mid 1990's and has been in his current position since 2011.

[2] NATSO's mission is to advance the success of the truckstop and travel plaza industry. Since 1960, NATSO has dedicated itself to this mission and the needs of truckstops, travel plazas, their suppliers, and their customers by serving as America's official source of information on the industry. NATSO also acts as the voice of the industry on Capitol Hill and before regulatory agencies.

The travel plaza industry plays a vital and growing role in the Supplemental Nutrition Assistance Program (SNAP). Many NATSO members' convenience stores redeem SNAP benefits. These stores are often located in rural areas with few other places for local, economically disadvantaged residents to purchase food. Such residents often rely on NATSO members' stores. If these stores did not participate in SNAP, many SNAP beneficiaries would be forced to travel long distances to purchase SNAP-eligible products. This would be not only inconvenient, but for many of our customers virtually impossible as they might only be able to shop at a store within walking distance of their home. Many SNAP recipients do not have access to means of transportation.

In the testimony that follows, I will provide a brief overview of Love's' experience with SNAP, as well as a brief discussion of how the government could harness the travel plaza industry to improve the program. I will also address Love's' effort to increase the amount of fresh healthy food items that we offer in our stores. I will conclude by discussing the proposed rule that the Department of Agriculture (USDA) recently released, and why it would effectively foreclose Love's and other travel plazas from continuing to play their important role in SNAP by providing food to rural America's most disadvantaged citizens as SNAP retailers.

Love's' History with SNAP

Love's first participated in the Food Stamp program in the early 2000's offering redemption of benefits primarily in rural areas of Oklahoma at approximately fifteen Love's Country Store locations. Participating in the Food Stamp program at that time was a very time-consuming process for licensing, handling the coupons, and redemption. The licensing process in particular was extremely difficult and laborious for adding and qualifying new stores. The certification and training process was inefficient as store management had to travel to a central training location, sometimes over 100 miles away. The Food Stamp coupons were handled manually at the register like cash and the reimbursement to the retailer often took many weeks.

In the middle part of the last decade, Love's briefly exited the SNAP program. We found that the laborious administrative costs did not justify an investment in the face of what was, at the time, minimal consumer demand.

In 2008 Love's began to reevaluate potential participation in the program. As the economy struggled, many more of our customers were qualifying for assistance and—particularly in rural areas—began asking for SNAP redemption at our stores.

At the same time, technological advancements made our participation in the program easier. No longer did we have to travel many miles for training. The transaction complexities subsided and redemption lag times diminished exponentially. The licensing/authorization process became, and remains to this day, quite simple.

Indeed, the current administration and application enrollment process for established vendors to install new SNAP redemption points of sale is de-centralized by region and handled efficiently through emails. Also, with the easy-to-use Electronic Benefit Transfer or "EBT" card used for redeeming SNAP benefits, it reduces the instances of system breakdowns, problems and glitches.

In 2010, after a thorough examination of the program changes and our customers' evolving needs, Love's made the business decision to requalify for (now-)SNAP redemption across our network. Today more than 300 Love's Travel Stops and nearly 60 Love's Country Stores are certified SNAP redemption retailers. We expect this number to grow, as we continue to see high demand in rural, low-income communities where a Love's store may be the only redemption point for 20–30 miles.

Areas for Program Improvement

It is worth reiterating that, as a general matter, our experience with SNAP has been positive and efficient. USDA staff have for the most part been easy to work with, and have done well working with Love's employees and the entire private-sector to facilitate widespread access to nutrition for America's low-income households. Love's is quite satisfied with our recent experience with the program and those individuals who are charged with administering it.

In communicating with my colleagues who work with SNAP on a daily basis, several common suggestions for improvement arose, however.

First, it would be helpful if there was a process for the retailer to test the system prior to activation, or "going live." Once a location is certified there is no way of testing the system for accuracy until we run the first "EBT" card from a customer. This stands in contrast to most other technology systems we implement at the store level, which generally provide for numerous testing and verification opportunities.

Second, we should have a mechanism in the store for customers to look up their EBT balance prior to making purchasing decisions. This could come in the form of

a kiosk or other type of self-serve verification terminal. As it stands today, if the SNAP recipient does not have access to a computer there is no way for them to verify the balance on their "EBT" card until they get to the cash register. This may result in a negative interaction between the cashier and customer, where customers are informed, potentially with others standing within earshot, that they do not have sufficient funds to complete their purchase. This is not good for the customer, for Love's, or for the relationship between the two.

One area where USDA has improved is the manner in which benefit payments to beneficiaries have been staggered throughout the month, rather than all beneficiaries receiving their benefits on the same day. Before, there was a consistent uptick in SNAP customers coming in soon after benefits were dispersed, creating store traffic and other complexities. Today, benefits are dispensed on a staggered basis. Every month, the "EBT" cards are re-allocated or loaded with the new month's benefits for the recipient. The re-allocation takes place from the 1st to the 10th of every month, based on the last four digits of the recipient's SNAP case number (example: 0–3 = 1st, 4–6 = 5th, 7–9 = 10th of each month). Spreading out the re-allocation in this way eliminates an influx of recipients in our stores on the first of each month.

Love's Initiatives To Sell Healthy Foods

Love's has always been on the cutting edge of the industry when it comes to providing healthier food options for the consumer. We are driven by consumer demand, both in terms of identifying popular products that we currently sell, and identifying products that our customers are asking us to sell that may not currently be found in our stores. As with any successful retailer, identifying what our customers want and responding to it is what we do.

With respect to healthy food options, there has been a steady increase in demand, though it has not been as substantial as many public officials might prefer. Nonetheless, we have responded to it in a variety of ways. For example, with our grab-and-go fresh fruit program, we display a variety of fresh fruits (apples, bananas, fruit cups, *etc.*) in a high value, high visibility area near the cashier stand. This is the most valuable real estate in a convenience retail environment, as it offers an opportunity for retailers to display high margin, "impulse-buy" items as customers approach and wait in line for the cash register. This is where many Love's stores place fresh fruit options.

Although we have had great success with our grab-and-go fresh fruit program, it is important to note that selling perishable food products in the rural areas where our stores tend to be located is complex. Deliveries are less frequent than at larger grocery stores located in more population-dense areas. Our wholesale suppliers make fewer items available to us than they do larger grocery chains. Availability is tied largely to what our supplier identifies—through sophisticated data analysis—to be most likely to sell in our specific channel of commerce.

Additionally, as is common in chain retail, each Love's store is internally required to carry a standard selection of items for consistency across our network, with some flexibility for local and regional tastes or specials whenever possible. Love's continues to have good success when offering a variety of fresh food and other healthy options.

Notwithstanding these complexities, Love's works hard to try and expand the fresh and healthy offerings in our stores. Working closely with our vendors, we employ good product management skills to minimize spoilage and waste. With the typical design and layout of an existing Love's store, there is limited space to accommodate a changing and complex selection of fresh and healthy options. Love's' team of buyers and planning experts continue to implement creative layouts and designs to optimize storage and food preparation space limitations.

I am particularly proud of Loves's' efforts to offer more fresh, healthy food items to our customers, and think we should be viewed as a model retailer in terms of helping USDA fulfill SNAP's objectives.

USDA's Proposed Rule Enhancing SNAP Retailer Standards

Before concluding, I would like to address some of the serious concerns I have with a recent rule USDA has proposed that would change SNAP retailer eligibility requirements.[3] As written, the proposal would effectively ban the truckstop and travel plaza industry from continuing to redeem SNAP benefits, harming not only these businesses but more importantly the beneficiaries who have come to rely on them to buy food for their families. Because recipients in the rural areas where trav-

[3] *Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP).* 81 FED. REG. 8015 (Feb. 17, 2016).

el plazas tend to be located often have limited or no access to transportation to get to a qualified store, reducing the number of redemption points in this manner would leave them with even fewer options.

The proposed rule is all-the-more troubling because it completely disregards Congress's clear intent when it passed the 2014 Farm Bill. In that legislation, after many hours of negotiations, Congress sought to strike a balance between (i) enhancing beneficiaries' access to fresh, healthy food options, with (ii) the integral role that small format retailers—including convenience stores located within travel plazas—play in the program. Congress clearly wanted to enhance retailers' stocking requirements, but just as clearly it did not want to impose burdens so onerous that small format retailers could not meet them.

To be clear, Love's does not oppose efforts to increase beneficiaries' access to fresh, healthy food. But the USDA's proposed rule doesn't do that. In fact, it would *decrease* beneficiaries' access to healthy items by prohibiting them from buying such items with SNAP benefits at Love's and other similar stores.

In the 2014 Farm Bill, Congress adopted changes to the SNAP regulations' "depth of stock" requirements establishing minimum quantities of staple food items that retailers must offer for sale in order to redeem SNAP benefits. By increasing the minimum number of items in each staple food category from three to seven, and increasing the categories in which retailers must have a perishable item from two to three, Congress exhibited a clear understanding that (a) excessive stocking requirements would uniquely affect small format retailers and thereby restrict access for beneficiaries that frequent them, and (b) this was an undesirable outcome.

USDA's proposed rule exhibits no such understanding. In fact, it appears to directly dismiss Congress's view and proceed with a rule designed to force small format retailers out of the program. The proposal would do this in two ways:

"15% Provision"

The proposal provides that no more than 15% of a SNAP retailer's total food sales can be for items that are cooked or heated on-site.

A fundamental feature of travel plazas is that they contain both convenience stores and quick-serve or sit-down restaurants at one location. A good travel plaza is a "one-stop-shop" for the traveling public, both commercial truck drivers and recreational travelers. To serve the needs of this diverse customer base effectively, at all hours of the day and night, we need to offer a variety of food options, from quick grab-and-go snacks and beverages, to more formal sit-down dining options. This diversity of profit centers—all within a single travel plaza location—is integral to our business model.

The proposed rule would aggregate food sales across all of these different food-serving entities, and impose a cap of 15% for food that is cooked or heated on-site. It does this even though *only the convenience stores at our travel plazas are in the business of redeeming SNAP benefits.* If we operate a quick-serve restaurant adjacent to that convenience store, our customers cannot buy food at that restaurant with their SNAP benefits. The two entities are, for purposes of SNAP and from our customers' perspectives, completely separate.

Nonetheless, USDA takes pains to emphasize that it is conflating the two entities for purposes of this proposed rule:

> *Establishments that include separate businesses that* ***operate under one roof and have commonalities, such as sale of similar foods, single management structure, shared space, logistics, bank accounts, employees,*** *and/or inventory, are considered to be a single establishment when determining eligibility to participate in SNAP as retail food stores.*[4]

USDA's insistence on this issue is perplexing. If a Love's convenience store is eligible to participate in SNAP based on USDA's guidelines, it should not be rendered ineligible simply because Love's also operates a restaurant adjacent to that store. Indeed, at literally hundreds of our SNAP-redeeming convenience store locations, there are also hot food restaurants, and these two entities can "operate under one roof and have commonalities, such as . . . single management structure [Love's], shared space, logistics, bank accounts, and employees."[5]

It should be noted that there are other travel plaza companies and operators who take a different business approach and are more likely to *lease out* property at their travel plaza locations to *third parties* to operate restaurants and other businesses on-site. For example, rather than the travel plaza company operating a quick-serve restaurant as a franchisee, the company might lease out the space to a separate

[4] 81 *Fed. Reg.* 8020 (Feb. 17, 2016) (emphasis added).
[5] *Compare Id.*

business to run a quick-serve restaurant as a franchisee. To the customer, there is no noticeable difference between these two approaches. Yet to USDA, it appears to be a key factor in determining whether the convenience store that happens to be "under the same roof" as the restaurant is permitted to redeem SNAP benefits.

This is silly.

The 15% threshold is completely incompatible with the travel plazas' business model—far more than 15% of a given travel plaza's food sales will be cooked or heated on-site when factoring in these other restaurant-type entities. This 15% provision would likely foreclose every Love's location from continuing to redeem SNAP.

Beyond the negative consequences that this 15% provision would trigger, it is premised upon a flawed method of determining retailer eligibility—one that Congress specifically rejected during the 2014 Farm Bill negotiations. Once a retailer meets the necessary eligibility requirements to redeem SNAP benefits, it should be allowed to participate in the Program. Love's is in the business of identifying products that our customers want to buy and then selling those products. As with any successful retailer, we understand that demand drives supply, supply does not drive demand. For this reason, it makes little sense to tie a retailer's eligibility to participate in SNAP on what products its customers choose to purchase, for this is a variable over which retailers do not have control.

Placing a ceiling on the quantity of hot and prepared food items—*which are ineligible to be purchased with SNAP benefits*—that SNAP retailers are permitted to sell would eliminate many small format retailers from the program, and discourage many more from getting involved to begin with. This would not further the program's purpose to "promote the general welfare and safeguard the health and well being of the nation's population by raising levels of nutrition among low-income households."[6] In fact, it *threatens* the achievement of this purpose by permitting USDA to make arbitrary decisions denying qualified retailers' application to redeem SNAP benefits. This in turn denies those retailers' SNAP customers a convenient source for food.

If a retail store stocks a sufficient quantity of healthy, staple food items to participate in SNAP, it should be able to participate without regard to whether it is operating in the same building as a restaurant or deli. Those two issues simply are unrelated.

Depth of Stock

The proposal would also require all SNAP retailers to stock more than 160 "staple food" items at all times in order to redeem SNAP benefits—a 14-fold increase from current requirements.

Further, it eliminates many items that NATSO members sell from qualifying as "staple food" items, such as multi-ingredient items that people purchase and eat at home, including potpies, soups, cold pizza, and frozen dinners, or snack-food items such as crackers and carrot-and-dip "to go" packs. Finally, it prevents retailers from counting different types of a single food source as multiple "varieties" of that item (for example, ham and salami would both qualify as "pork" rather than different items that happen to be in the same category; turkey burgers, sliced turkey, and ground turkey all qualify as "turkey" rather than different items, *etc.*).

This is a dramatic and unnecessary departure from current rules. It fundamentally disrupts the compromise that Congress reached in the 2014 Farm Bill by changing the underlying definitions of terms that Congress relied upon in establishing enhanced depth of stock requirements.

Most troubling is that these provisions appear to be specifically designed to make it extremely difficult and expensive for travel plazas and convenience stores to redeem SNAP benefits. Requiring a SNAP retailer to stock food products that officials at the Department of Agriculture would prefer customers to buy would not change customer purchasing habits. (Demand drives supply.) It would, however, discourage many retailers from participating in the program because it is simply bad business to stock products that their customers—SNAP and non-SNAP—simply will not buy. For those small format retailers continue to participate, it would also very likely lead to wasting food, as the retailers would be stocking perishable products that will not move quickly off of their shelves. Finally, it would lead to inventory management complications. Indeed, as the complexity of the proposed "staple food" requirements change so do the complexities of product management, storage, rotation, and display. Our stock rooms are stacked to the ceiling with products that we have determined our customers want to buy. Injecting an excessive amount of other types of products into our supply will be extremely complicated for our store and inventory managers.

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[6] 7 CFR 271.1(a).

If the depth of stock provisions are finalized as proposed, it would lead Love's and many other retailers to completely reevaluate the decision to participate in SNAP. Many will exit the program.

I urge the Department of Agriculture and Members of this Committee to consider the beneficiary's perspective as it considers retailer eligibility policy. Beneficiaries are often in a position where, sometimes, the limited hours of the day may require them to prepare affordable, quick-and-easy meals for their families to eat. It is a situation that everybody, from the witnesses testifying before you today, to the Members of this Committee, and even officials at USDA, often confront. We should not turn this activity into a luxury unavailable to SNAP beneficiaries who live in the rural areas near Love's locations. It is not fair to them, and it exhibits a level of disregard for the already difficult lives these citizens lead. We should be trying to make their lives easier, not harder.

USDA has gone too far with this proposal. If finalized, it would effectively prohibit smaller format retailers from participating in SNAP, and thereby *harm* the SNAP beneficiaries that the agency is charged with *helping.*

Conclusion

The truckstop and travel plaza industry takes seriously its role in the SNAP program. Love's' experience with the program has been largely positive. I am hopeful that we can continue to work together and build on past successes, while learning from the program's shortcomings, to fulfill the program's purpose of raising nutrition levels of the nation's most vulnerable and needy citizens.

Again, thank you for the opportunity to testify today. I am of course happy to answer any questions you may have.

The CHAIRMAN. Well, I thank our witnesses for their testimony. The chair would remind Members that they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. I appreciate Members' understanding. We have a glitch in our vaunted technology system. Our clocks aren't working, so when we recognize each Member for 5 minutes, you don't have the normal lights. I have my handy-dandy stopwatch here, and, in order to keep us moving along, I will have to give you a 1 minute warning, but maybe I will just—one snap there, that—1 minute warning for you. So, with that, I recognize myself for 5 minutes.

Mr. Wright, you talked about the qualification process, or the way you got your Carver Market officially recognized. There was a story this morning in the news about a storefront in Florida, no food whatsoever, that had redeemed about $13 million in SNAP benefits, and they were raided, and those folks are going to be brought to justice because they stole money from the system. Can you walk us through what you had to go through for Carver to become a qualified SNAP beneficiary, and the mechanics of that? How often are you re-examined? Do folks come by periodically to check and make sure that you are doing what you are told to do on the application process? Would you help the Committee understand that approval process that USDA goes through?

Mr. WRIGHT. Carver Market is actually operated by a nonprofit ministry out of Atlanta, and so the process they went through was, of course, contacting USDA. They also had to have some coordination with the health inspectors, I believe, from the State of Georgia and all that. It just became a very laborious process in order to get all that lined up, and just the points of contact, not being able to get through to people, not having the communication relayed back to them.

I certainly understand what you are talking about in the store in Florida, and, from our industry's perspective, we have a zero tolerance for abuse from retailer or participant in the program. We

are not in favor of that. But in this case you had a nonprofit ministry that has planted themself in a community they are trying to revitalize, and just some sort of recognition to expedite that process would be appreciated. Just a lot of people to see, a lot of hoops to jump through, so to speak.

The CHAIRMAN. All right. Could they operate their store without customers redeeming SNAP benefits, were they able to open and go into business before that?

Mr. WRIGHT. We were able to open the store, but, needless to say, with the makeup of the neighborhood, and the amount of SNAP residents, that was certainly economically challenging for the store——

The CHAIRMAN. So, 25 percent of your business is SNAP? So those folks would come into the store, try to buy something, and the operator of the store would have to say, we are not ready yet?

Mr. WRIGHT. Yes, correct.

The CHAIRMAN. Okay.

Mr. WRIGHT. Yes, sir.

The CHAIRMAN. It is a bit counterintuitive that a store in that food desert would only have 25 percent of their business is SNAP, while your broader Wright Market has 31 percent. Do you think that SNAP beneficiaries will go there, and that will grow, or you think 25 percent is about right?

Mr. WRIGHT. Well, the Carver Market does not offer fresh meat. Now, they do a good job of offering fresh produce, dairy, milk, eggs, and a wide variety of grocery items for a small store, and at Wright's Market, 56 percent of our business is driven through fresh meat and fresh produce, with meat being a much bigger ring, so to speak. So that would be the difference between what we are able to offer, and what they are able to offer: 25 percent for a smaller store like Carver Market is pretty good.

The CHAIRMAN. Okay. And just real quickly, on your Wright 2 You Program, is that available to SNAP beneficiaries, as well as other customers?

Mr. WRIGHT. Yes. It is something that we just do on demand. We continue to hear the requests for people that don't have transportation to the store, so that is certainly open to anyone who calls for pickup.

The CHAIRMAN. I appreciate that. Mr. Beech and Mr. Martincich, we had FNCS here during the 2 day review of USDA programs, and they were trying to walk us through how they got to their proposed rules, and I asked Administrator Rowe if any of the folks on the rule writing team had ever actually worked in a grocery store. And, of course, they hadn't, and so that may be reflective of some of the things that they are trying to get done in that regard.

Can you walk us through the process a recipient goes through at the checkout line, is a SNAP beneficiary going into a Love's and unable to use that SNAP card for anything other than what is eligible? In other words, your electronic machines parse out what is and isn't SNAP eligible, so they can't buy food in the restaurant with their SNAP benefits. What is the public policy advantage to excluding travel plazas like yours, where they have more than 15 percent of their food sales in non-eligible SNAP items, what would be the possible public policy benefit for that?

Mr. MARTINCICH. That is a great question. I would have no idea what the rationale would be to penalize that SNAP beneficiary who is very well educated, and knows what to buy in a grocery store. And to penalize that person because I happen to sell hot food in another part of the store, or under one roof, I see absolutely no rationale to that whatsoever.

The CHAIRMAN. Thank you, then. My time has expired. Mr. Peterson, 5 minutes.

Mr. PETERSON. Thank you, Mr. Chairman. There are a lot of people that want you guys to be the food police, and this is the first idea that is generated here. But I just want you to know some of the things that I hear from some of my colleagues, on the right and on the left. They think that SNAP recipients should not be able to buy candy, sugared soda pop, so-called junk food. There are people who think that no one should be able to use a SNAP card at a convenience store because it is more expensive than a grocery store. So these are things that I hear that are out there, without asking you, I assume that would just make it even more problematic to stay in the program if something like that happened. But it is out there, and people will talk about it. Even some of my constituents talk about it.

One of the things that I am curious about is, apparently, during the Dodd-Frank negotiations, there was a provision put in by Senator Durbin that said that the banks can't charge SNAP recipients for transactions on their cards, which is kind of a dumb idea. Anyway, it got passed. So now, from what I can tell, you can't figure out how much they are charging, and who they are charging. So do you know how much these banks make on these cards? Supposedly, they can't charge the recipients, so how much are they charging you guys per customer, or do you guys know that information? Do they give that to you?

Ms. HANNA. Sir, on the SNAP transactions, as a merchant, we pay a processing fee, which is an extremely low amount.

Mr. PETERSON. So what is that?

Ms. HANNA. It would be sub-hundredths of a penny. That is how low it can be. And you have processors, and there are only two right now and that is creating a competition problem. And so there is a proposed 1¢ charge being made by one of the providers——

Mr. PETERSON. Right. So that would be to the store?

Ms. HANNA. That would be to the merchant.

Mr. PETERSON. Yes.

Ms. HANNA. Yes.

Mr. PETERSON. They supposedly can't charge the SNAP recipient.

Ms. HANNA. That is correct.

And that 1¢, based on a rough calculation, would bring in $17 million annually of revenue to this processor. That cost is going to drive prices up, and the customer who uses the SNAP benefits, and all others, will be harmed by that, from the increase in prices. We need more competition when it comes to being able to process these transactions.

Mr. PETERSON. There was a story out there that said that some of these banks were charging people $5 to stop payment, and they were figuring out some way to charge the recipients if they lost their card, they charge them $5. And then there was some other

deal where they are charging them 40¢ if they get—I don't know what it is, but apparently they are getting around it somehow or another. Are you familiar with that?

Ms. HANNA. No, sir, I am not familiar with there being fees charged by the banks on SNAP transactions. I am familiar with banks charging fees for other payment types that customers use with debit cards, but not on SNAP cards.

Mr. PETERSON. So you haven't heard any complaints from your customers about this, that——

Ms. HANNA. Not on SNAP cards, sir.

Mr. PETERSON. So if they lose their card, they just——

Ms. HANNA. They will go back and ask for another one. But they have not spoken to us that they are being charged by their agency to get another card.

Mr. PETERSON. On the chip situation, you are going to that? Are you changing all your credit cards to the chip?

Ms. HANNA. Yes, sir.

Mr. PETERSON. So does that mean that these EBT processors are going to raise the fees on the card to pay for that?

Ms. HANNA. I think that could be part of it. It is just pure speculation if that is the case, but we do know that putting a chip on a payment card, along with a PIN, will reduce fraud substantially. There was a report put out by the Federal Reserve several years ago that said payment cards that were only signature enabled had 700 percent greater chances of fraud being conducted on those. So as we move to an environment where there is more security needed in the payment space, and that includes the use of these SNAP cards, we are looking for additional technology. And I think that a chip and PIN on a chip added to these SNAP cards would be beneficial to the participants, and to the retailers that accept them.

Mr. PETERSON. I do have a short follow-up.

The CHAIRMAN. Yes.

Mr. PETERSON. So, as I understand it, most of the fraud is a situation where the retailer is in collusion with the recipient. So I don't understand where the PIN number makes a difference, because the recipient knows it anyway. The majority of the fraud is where they have to get together and do it. My time is out, but if you could respond to whatever is going on with that? Thank you.

The CHAIRMAN. The gentleman's time has expired. We will take that one for the record. Mr. Neugebauer, 5 minutes.

Mr. NEUGEBAUER. Thank you, Mr. Chairman. Mr. Beech, in your testimony you outlined how the USDA proposal would cause most of the Casey stores to be ineligible for participation in SNAP. And many of your stores, you indicated are in small communities. I represent a district that has a lot of small communities, and somebody would have to be living in a vacuum if they haven't been watching what has happened in rural America, where we have seen the towns of rural communities shrink because the number of farm families have shrunk. Farmers are farming a lot larger tracts of land.

In many of those communities, they have lost their auto dealership, they have lost their grocery store, they have lost their clothing store, and they are considered somewhat under-served. And so I guess the question that I would have to you is what would be the

driving distance for many of your customers if your company was forced to quit providing SNAP benefits to those folks?

Mr. BEECH. Yes, that is a great question Congressman, and you are absolutely correct. I grew up in a small town in rural Iowa, and we used to have a lot more services than we do now. But yes, many places in the rural Midwest, our customers would have to drive 15 and 20 miles to the next nearest community that would have full services like that. We have 220 of our stores. We are the only provider, and we provide prepared foods, we are the bakery in the community, and we are the grocery store.

So to have folks that are already on the program having to spend additional resources to drive 15 and 20 miles to redeem their benefits, I can't see any rationale for that, and we are really concerned about some of our rural customers having to go through this to do that.

Mr. NEUGEBAUER. You also testified that you keep a limited amount of stock in those stores, due to the ability to service those. So if you had to comply with this new regulation in keeping more stock, more items, it looks like to me that increases your logistic cost of having to make more runs, or expand those stores. Is that going to drive the prices up if you have to do that?

Mr. BEECH. Yes, it would clearly drive the prices up, but for us, we couldn't do it. We deliver once a week to 1,931 stores, so if we would have to deliver two or three times to a store to meet compliance with SNAP, it is just not that large of a piece of our business. So it is just something that, physically, we wouldn't be able to do in our business model. It would just be too expensive, and we just don't have the space to have this kind of depth of stock in our stores. Our stores aren't big enough to do that.

Mr. NEUGEBAUER. If they impose this 15 percent on prepared food, what is that going to do to your business model?

Mr. BEECH. It makes us completely ineligible for the program. We sell a little bit of pizza. We are the fifth or sixth largest pizza retailer in the country, and so we would just have to drop the SNAP Program. We would not drop our hot foods program. It is just too integral to our business and our business success, so if we had to, unfortunately, make that choice, we would have to stay with the hot foods, unfortunately.

Mr. NEUGEBAUER. What percentage of your business is SNAP, average across your stores?

Mr. BEECH. It is not very large on ours. It is probably one or two percent.

Mr. NEUGEBAUER. Okay. I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back. Mr. Scott, for 5 minutes.

Mr. DAVID SCOTT of Georgia. Yes. Thank you, Mr. Chairman. First of all, I think that this rule by the Department of Agriculture's Food and Nutrition Service is impractical, it is unworkable, it is offensive, it is discriminatory, and it is definitely draconian, and really unnecessary. And very, very offensive and discriminatory to rural Americans and low-income Americans. So this is a large swath of the American people. And I am really just at odds trying to figure out why is the Department of Agriculture's Food and Nutrition Service doing this?

And so I would like to ask you, who are testifying here to help me with this dilemma. Clearly, here is what I think: I believe that the Department of Agriculture wants to stop small business retailers from participating in the SNAP Program. Now, if I am wrong, please tell me. Mr. Martincich, I apologize if I murdered your name there, but can you help me with this? Am I off base? I just don't see it. Maybe somebody can clear up for me why in the world is the Department of Agriculture doing this, and putting such hardship on the small retail business community, and on the very American people that need this service the most, those in rural America and those in low-income America?

Mr. MARTINCICH. I agree with all your words wholeheartedly, and I will start off with *offensive.* I do think it is offensive to that SNAP beneficiary, and it is offensive to the retailer also.

Mr. DAVID SCOTT of Georgia. Yes.

Mr. MARTINCICH. At a stretch, I might give a benefit of the doubt. It is probably a noble cause to encourage healthy eating and healthy behavior. But our personal example is that has been changing over the last several years also. One of the biggest sellers in all of our stores is our fruit and vegetable cups. No government agency told me that I had to sell fruits and vegetables and put them at the front counter, but customers began demanding that, and we are selling a lot of it, and there is no regulation that told us we had to do that. So I think consumer behavior is changing anyway, without these draconian, discriminatory regulations.

Mr. DAVID SCOTT of Georgia. Yes. Mr. Beech, how do you feel about this?

Mr. BEECH. Congressman, I totally agree with you too. I echo his comments. I mean, we obviously care about our customers' health, and give them the benefit of the doubt of that. But when we have some of these stocking requirements that are egregious and things, it just seems clear that maybe we don't want the small retailer in this. But, you folks did a good job on the farm bill, had a good compromise with some additional items in the stores. We can certainly live with that and support that, but this over-extension of the stocking requirements, and the change in the definitions of not having multiple ingredient foods, we can't have chicken and noodle soup in there, and macaroni and cheese, and it doesn't count anymore. People are trying to feed their families with this program, and you would think you would want to be more inclusive than not, so we are in total agreement with you.

Mr. DAVID SCOTT of Georgia. Yes. Thank you, Mr. Chairman. My time is up in 1 minute. This really disturbs me, because there are sectors of our American people who are in certain types of situations that are no fault of their own. And when you take the basic necessity of life, which is food, and you make it harder and harder for these people to be able to do that, Kroger's and Publix, these large grocery stores, they are not in some of these communities, in the rural areas particularly, they have to travel to another place. In the low-income communities, people don't have the transportation to get to where they are. So it is my hope that out of this hearing, Mr. Chairman, that we will send a powerful message to the Department of Agriculture to rescind this rule.

The CHAIRMAN. Well, David, to send that message, you will need to be a little more blunt. Mr. Lucas, 5 minutes.

Mr. LUCAS. Thank you, Mr. Chairman. And first I would like to note that one of our very articulate, bright witnesses noted we did a good job on the food stamp section of the farm bill, in a place and a time where rarely positive things are said. Thank you, sir.

With that, I would like to turn to Mr. Martincich to expand on your comments. Your perspective in your opening testimony was the customer's perspective. Do you have any idea how many of your SNAP customers at the travel plazas tend to be highway travelers, as opposed to local citizens who live in an area in close proximity to the facility? I am assuming a good and efficient business that you have examined, studied, analyzed your customer base. Tell me about that. Who is passing through, and who is local?

Mr. MARTINCICH. Absolutely. There are very few traveling public or truck drivers eligible for SNAP, or using SNAP benefits in our stores. The vast majority are local, close residents. Which, again, is why it would be a tremendous shame for us to have to turn down that customer who is walking to our truckstop, maybe catching a ride to our truckstop. But very few are really over-the-road travelers.

Mr. LUCAS. Several witnesses have mentioned the hot food issue. Since your locations often have both convenience stores and restaurants, have you noticed the SNAP customers getting confused, or mistakenly believing they can redeem their SNAP benefits at the restaurant side of the equation?

Mr. MARTINCICH. Never. I think those SNAP recipients are very well educated on what they can purchase. Not once, in any of our experiences, have we seen a SNAP eligible customer try to purchase something that is a hot food item. Again, it is a clear distinction, because there is a convenience store on this side, and a quick service restaurant, or a sit down restaurant on that side.

Mr. LUCAS. And you have convenience stores that still just have non-restaurant options too, right, in the smaller communities?

Mr. MARTINCICH. Absolutely.

Mr. LUCAS. So you have both models?

Mr. MARTINCICH. Yes.

Mr. LUCAS. Okay. So are you able to draw any conclusions about Love's stores? The trend to do a lot of SNAP business *versus* Love's stores that do minimal amounts of SNAP business, comparing the nature of your facilities?

Mr. MARTINCICH. Certainly in the rural communities, where there are other limited options, and you will be familiar with quite a few of those in Oklahoma, and it is really around the local residencies. It is around the local neighborhoods. So if I am extremely isolated, and with no local population within maybe 10 or 15 miles of my store, I won't hardly get any SNAP recipients in there.

Mr. LUCAS. Absolutely. Mr. Chairman, I would just note, as I yield back, the comments by the Ranking Member about the PIN *versus* chip *versus* stripe question. While that is probably more of a jurisdiction of a different committee, a lot of that pertains about who is responsible for the fraud issue. Is it the retailer, is it the card issuer? Not just SNAP, but all forms of credit cards. And that

is something that we have to sort out in this body, because right now there is a great debate over who is most responsible for security, and who is being stuck by the bill, and in many cases it is a substantial issue. Not in SNAP, but in other credit card issues, the fraud factor. I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back. Mr. McGovern, 5 minutes.

Mr. MCGOVERN. Thank you very much. I want to thank you all for being here. I certainly appreciate the fact that SNAP retailers play a critical role in making sure that food is available to those in need. And many of our constituents in both rural and urban areas lack access to larger grocery stores. And while we would all love to see large supermarkets in every community in America, that is just not a reality. And, as we have heard from our witnesses today, convenience stores are frequently the only source of groceries in some communities, and are, at times, the only stores that accepts SNAP benefits in a particular community.

And one of the things that is under-appreciated, I am sad to say, in this Congress is the fact that a large number of people on SNAP work. They work for a living. But, they work non-traditional hours, or are forced to work several jobs just to make ends meet, and these individuals often have to shop for their food at kind of odd hours, and that is where you oftentimes are the only avenue for them to get food.

I sympathize with the goal of making healthier foods more available to people, and helping people make better choices in terms of what they buy. If we were really interested in that, we would examine the fact that the SNAP benefit in and of itself is so inadequate, that it really does limit an individual's ability to be able to buy the healthiest food. But I also have concerns with proposals that would limit the ability of smaller format retailers to participate in the SNAP Program, which would prevent SNAP recipients from access to food.

Mr. Beech, you talk a lot about restrictions in USDA's proposed rule that would force stores out of the SNAP Program. Would the proposed rule as currently drafted eliminate access to food for any SNAP beneficiaries, and would it make hunger worse in our communities? And the reason why I raise that is because, while I am sympathetic to the impact that this might have on the retailers, I am most sympathetic about the negative impact it would have on people who are just struggling to put food on the table.

Mr. BEECH. Your question is a good one, Congressman. I think, quite accurately, that is our biggest concern, is we want to make sure that the folks that need the program can still get it. It clearly does have the opportunity to increase hunger concerns. As I mentioned in my testimony, we have 220 of our stores where we are the only provider. There are a number of those communities where the other provider might be just another convenience store.

Mr. MCGOVERN. Right.

Mr. BEECH. Many of these communities don't have grocery stores. So it is a big problem when you have communities in this country that they can't redeem their benefits, and so they have to make a separate trip to do that. So making available opportunities

and places to redeem their benefits is a good thing. I think it has that potential.

Mr. MCGOVERN. So USDA tells us that they intend to allow waivers for certain stores if access is compromised. How do you think that that would impact store participation?

Mr. BEECH. Well, there are a number of concerns about waivers. We would want 1,931 waivers. And then every other convenience store chain would want those as well. And if you don't give out waivers to everybody, you have the competitive issues. Do you give it to one competitor in a town, and not the other competitor in town? Who gets it? Who gets the waiver? So I am just not sure this program is designed to give out thousands and thousands of waivers. It just, to me, doesn't make sense. We have to have the fundamental rules of the program, and the waivers should be what they are, waivers, used sparingly.

Mr. MCGOVERN. As we speak about access to food, and since you are all here, it is important to also look at proposals that would undermine the SNAP Program and cut benefits for families living in poverty. Ms. Hanna, some have suggested that we block grant the SNAP Program, turning more responsibility for the administrative decisions to states. There is a Republican budget that would cut the program by $150 billion over 10 years. Do you have concerns with such proposals, and if so, what would those concerns be?

Ms. HANNA. I do, because under that scenario, by putting that back in there, now we are going to lose the ubiquity that the national program has. Because with a state, or any state, and a different state having different requirements, having different food lists, it is going to make it much harder for the SNAP participant to make sure, first, that they are buying the right things when they are going to the stores; but second, it is going to make it much harder on the retailer and the merchant to program, and to train the cashiers to work with those customers to make sure that they are making the healthy food choices, and they are getting what are eligible products. So it is something that would be very difficult on the entire system. And I don't think it would be something that would be good for the system.

Right now we have a good system that is ubiquitous, it is across all the states. As a SNAP participant, if they have to go from one state to another because of some sort of disaster, or some sort of other event, they know that they can take those benefits, and that they can shop in another store in that state, and get the same benefits. But if this is administered on a state-by-state basis, that is not going to happen. In addition, states share information regarding fraud. If the states are allowed to administer this, then how are they going to manage their cross-border fraud, and look at that information? It is not going to be the same anymore.

Mr. MCGOVERN. Thank you. That is a very powerful argument against block granting. Thank you. I yield back.

The CHAIRMAN. The gentleman's time has expired. Mr. Gibbs, for 5 minutes.

Mr. GIBBS. Thank you, Mr. Chairman. If I don't use all my time, I will use my balance of time to yield to Mr. Scott if he needs more time.

I appreciate the comments, and there is just one thing, he asked a question, Mr. Chairman, he was speculating about the reason USDA was doing this is to put the small business out of business. I don't think that is it. I think what it is, it goes back to what the Ranking Member said. It is about the food police. And this is analogous to the school lunch program we are seeing, where one size fits all out of Washington, D.C. policy, they know best.

And I have to tell you, what we need to do is send some of these people out in our remote areas, like the western states. I have a son that lives out in remote, eastern Oregon, and a couple years ago he was living in northwestern Wyoming, in a remote area, and you literally had to drive 30 miles to buy a loaf of bread. So all the comments the panel has made about access and availability is absolutely true, but people here in Washington, D.C., inside the Inner Belt here, don't understand that, and don't have a clue.

And so that is really what it is about. It is more about the food police, and Washington knows best. Moving forward, I just want to make that point that this rule needs to be rescinded, because it is going to hurt people in the remote areas. And, Mr. Beech, your excellent points on the question about, you have 200 stores would you have to quit using the SNAP Program, and that doesn't account for when there are other convenience stores.

So I kind of got the feeling, Mr. Beech, your stores aren't true convenience stores. In Ohio it is more of a general-type store, at least because you go out in these rural areas where our son lives, there are no chain stores out there. There is, but the general stores in small towns there have more things that you don't have in a small town in Ohio.

Mr. BEECH. Yes. Virtually all of our stores are a little bit bigger model, but we have an extremely competitive and broad food program. So we make our own pizzas, many of our stores have subs, we have donuts. So in many small communities, we are the local grocery store, and we are the bakery, and we are the restaurant. So we do all of those in one, and we are proud of it, and have very good products. But that has been our niche. We grew up in rural Iowa and Missouri, and so those are the customers we serve.

Mr. GIBBS. And it is absolutely right that the idea is the market is dictating what the needs are in those locales. It shouldn't be Washington dictating that. And I did want to say, since the introductions that Kroger Company is headquartered in the great Buckeye State of Ohio, in Cincinnati, and it is a great chain, so I wanted to make that point. I appreciate the panel. And my time I have left, I would yield to Mr. Scott, if he has any more thoughts.

Mr. DAVID SCOTT of Georgia. You are kind.

The CHAIRMAN. The gentleman yields back. Ms. Graham, for 5 minutes.

Ms. GRAHAM. Thank you, Mr. Chairman, and thank you very much to all the witnesses today. My question is actually directed at Mr. Wright. I live, and represent, the most rural district in Florida, pretty much the entire panhandle of the State of Florida. We have a huge food desert, and I go to Love's all the time, by the way. And I am interested in and thank you for your innovative approach to serving your rural community. And we have great nutrition and food access issues in my district. I would just like for you to expand

on what you have done how maybe we can take some of your innovative approaches and use them in north Florida to help the people of north Florida. So thank you very much.

Mr. WRIGHT. Well, thank you. Yes, there are just plain and simple communities that cannot support a brick and mortar store, especially something full service where you are processing fresh meat, and those type of things. With all due respect to Mr. Beech, Casey's does a fabulous job in some of these places, but even in areas like you are talking about, it is a challenge to even have something like that.

We just believe with technology today that mobile and delivery is going to be the way to solve these. Whether it is to someone's home, or preferably it could be a central location, some of the rural community where there is still some sort of gathering place where there is some sort of community center, or possibly a church, or something like that. So I believe that using technology would be a great way for people to order online, and for us to be able to get these fresh products to them in these communities that just can't support a brick and mortar store. And I actually have been contacted by somebody from your area about trying to do something like that, so——

Ms. GRAHAM. I am not surprised about that. I have a wonderful team, and she is taking notes in the back. Which is the purpose of these hearings, right, Mr. Chairman?

In rural communities we often have challenges with even having access to the Internet. Is this something that you have moved forward with mobile apps, and those types of things, that consumers could potentially use in rural areas?

Mr. WRIGHT. Yes, that would be correct. And, again, there are two things that you face in the issue we are discussing. One is just access to technology to order. The other would be that possibly we reach, especially, some of the elderly that don't have the computer skills to do that. That really is where churches, and some organizations like that, can come in and fill that gap, and have access to that, or help someone do that. I think that would be, again, a great way.

And we are very blessed and fortunate in our community to have a very strong faith-based community, and a number of outreach ministries. I have seen some things in the Gainesville, area, not far from you, the Casey family programs who have worked with the Partnership for Strong Families, and built some outreach centers, some community resource centers, in some rural areas. A model like that would be a great way for having a central point to order, and also have some help to go through the process to order.

Ms. GRAHAM. I don't know how much time I have left. I love this new system, Mr. Chairman. Do you find that those that you are serving, are they ordering and requesting fruits and vegetables, meats, and that type of thing?

Mr. WRIGHT. Well, back to my opening comments, we are just now getting into the process, but we can see it already. Certainly there are several groups that we have had a lot of interest in online ordering delivery. Certainly there are people in their lives that are busy, that is one. We have heard from a number of elderly, so we run our shuttle service. We will come to a person's home and

pick them up, and bring them to the store, and then return them home. So we solved some of the issues like that. We have heard a tremendous amount of our elderly that getting out of the house and going to the grocery store is just not an option anymore physically.

We also have heard from a number of people whose parents are in areas where they don't live anymore. And then we hear people in the rural areas that have access. So it is a wide variety. We are getting into this program now, but based on the responses that we have seen, I believe it is a great opportunity for us to really solve a lot of the issues with access to fresh foods without having to have a brick and mortar store where it doesn't work out.

Ms. GRAHAM. Well, I am sure my time is up now. The Chairman is used to this with me. But thank you very, very much. I appreciate what you have done, and, again, I appreciate all of the panel for being here today. Thank you, and I yield back whatever time I don't have.

The CHAIRMAN. The gentlelady had 3 seconds left.

Ms. GRAHAM. All right.

The CHAIRMAN. Mr. DesJarlais, 5 minutes.

Mr. DESJARLAIS. I thank the Chairman, and certainly thank you to the panel for attending here today, and helping us deal with the many problems that our food stamp program faces. What originally was a program aimed at improving the diets of low-income households has ballooned into an $80 billion a year government handout. And while the food stamp program, officially known as SNAP, was premised on good intentions, in reality studies have shown it has served to halter the economic mobility of recipients, and further compound the hardships that they face.

During the Obama Administration the SNAP recipient population has nearly doubled. This drastic increase of participants has put a strain on the program that was already experiencing budgetary hardships due to the rampant waste, fraud, and abuse. There is no question that we must address the systemic failures of the SNAP Program if we want to ensure that it remains viable for both current beneficiaries and future generations. In fact, if we do nothing, and allow SNAP to go bankrupt, those who truly rely on these benefits will be affected most severely.

That is why, in 2013 and 2014, when considering the farm bill, this Committee tried to separate the agricultural provisions from the unrelated food stamp program. Our legislation, H.R. 3102, would have allowed us to specifically address the deficiencies contained in the SNAP Program in a bipartisan manner. For example, H.R. 3102 would have eliminated the culture of dependency with the food stamp program by preventing states from issuing work requirement waivers for able-bodied adult recipients. Those who have the ability to work should not be able to collect benefits intended for those who cannot.

H.R. 3102 would have also allowed for states to drug test SNAP applicants, and cut off funds to those who are abusing drugs, rather than trying to find meaningful employment. It also contained my legislation, the SNAP Act, which eliminated bonuses paid by the Federal Government to states for signing up food stamp recipients. It is ludicrous that we actually give states taxpayer funded awards

merely for signing up additional food stamp recipients. But most importantly, this bill would have cut food stamp spending by $40 billion to ensure the long-term sustainability of the SNAP Program. For those people who were likely abusing the program, we estimated that about 14 million would have come off of the food stamp rolls, and likely would no longer have qualified.

The House of Representatives ultimately passed H.R. 3102, which I was proud to support, but, unfortunately, the Senate did not act, and as a result we are left with a bill that combined the agriculture and food stamp provisions, and lacked these meaningful reforms. As a result, I could not support this legislation. It is my hope that we have another opportunity to address many issues contained in the SNAP Program. We owe it to the taxpayers, and we owe it to the beneficiaries. There is no doubt that we are a kind and caring nature that takes care of our own, and all we ask is for those receiving government assistance to do their part as well. And, really, I just wanted to thank you guys for coming here to answer our questions, and we will continue to work on this, and make sure the program exists for those who really need it. I yield back.

The CHAIRMAN. The gentleman yields back. Mr. Ashford, 5 minutes.

Mr. ASHFORD. Thank you, Mr. Chairman. Thank you, Mr. Chairman, for having this hearing today. This is very interesting for me, and for all of us, because it really gets to many of the questions that arise in rural America, and certainly in Nebraska. I appreciate Mr. Beech, and Casey's, and all of what you have said is absolutely true. We rely on Casey's throughout our state. You make a major contribution to our small communities.

It is interesting, in western Nebraska we have a town called Cody, which is a town of 300 people, and they did not have even a Casey's, not that Casey's is low on the totem pole, but did not have a Casey's. And so the local high school in Cody actually opened a grocery store, and the students do everything. They do the marketing, they do the buying, and purchase local products, as well as more standardized products. And it kind of reflects the dilemma, and the concerns that we have in our state.

Rural poverty is something we talk about in this Committee a lot. There is no question that it exists. It is not just an urban problem. It is a rural problem, and you have reflected that, all of you, in your testimonies, and so I appreciate the Chairman really reflecting on this. And there are lots of options. I appreciated Mr. Wright's comments on the creative thinking for the future, because it seems to me that there are creative ways to these kinds of things. And organizations like yours, who are larger, who have the resources to invest in new technologies, or new ways of getting food to people that need it, and having it paid for, obviously, in an expeditious and efficient manner. That is going to come from your organizations.

And it is going to come, not as said by some of the points made by other Committee Members, it is going to come through your own initiative. It is not going to come because government says to do it, or whatever. You are going to figure that out yourself. I totally believe that, and that is how most Nebraskans feel. I am not sure who is making more points. Our family came to Nebraska in the

1850s. We were in the clothing business. We had little stores, and big stores, in Iowa and near Omaha, our family has seen the changes in rural Nebraska and western Iowa.

And it was mentioned earlier, literally the drying up of family owned small businesses in all of our towns. And you are from Iowa, and you know that, certainly in Nebraska. We started out in a little town called Homer in 1862, actually, with a small grocery/mercantile store, so my entire family history has been engaged in that kind of business. I get it. And I really do appreciate this testimony, and this conversation, because it really gets to the core of how rural America is going to look in the next 50 years.

I do just have one question. Just so I am absolutely clear in my mind about this, Mr. Beech, because Casey's is a big player in Nebraska, and it is an important part of rural Nebraska. But I do want to ask you, just for the record, if this were to go into effect, are you telling me that, in Nebraska, for example, it would be unlikely that you would be able to offer food stamp services?

Mr. BEECH. Yes. The way the rule is written right now, we have 150 stores, basically, in Nebraska, and proud to be there, and a number of communities in your district, but basically the hot foods provision knocks out virtually all our stores. And then even if you could get over the hot foods, we couldn't sell any pizza, or we couldn't sell donuts, and hot sub sandwiches and things. The stocking requirements, with not being able to use multi-ingredients, and the variety, and the depth of stocking, having to have six of the products on the counters, we couldn't do it. So we would not offer SNAP benefits at all in Nebraska if this rule stays as-is.

Mr. ASHFORD. Thank you. And, Mr. Chairman, this is not a good thing for Nebraska at all. It is not a good thing for our recipients, nor for our state. Thank you. I yield back.

The CHAIRMAN. The gentleman yields back. I now recognize the gentleman from Georgia, Mr. Scott, for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Thank you, Mr. Chairman, and thank you all for being here. And we have obviously got this rule that needs to be reversed. I think that the goal of many is to stop the abuses in the system where, if you have a liquor store, for example, that is receiving—or turning in a tremendous amount of vouchers for food stamps, and you know that it is just not possible for them to be running that much through that store, how do we get those bad operators, if you will, out of the system? How do we get the operators out that are charging $10 for a gallon of milk, and then giving a lottery ticket with it, if you will?

And I see you shaking your head, the kind of people I am talking about, and I don't think there is any better group to help write the rule that gets those bad players out of the market more so than those of you who are here sitting at the table with us today. And I just wonder, has the agency been willing to listen on the rule, and the suggestions that you have for the rule? I mean, we share that common goal, to get the crooks out of the business. Have they been willing to listen to your suggestions on how you would do that?

Mr. MARTINCICH. I may volunteer that, if you don't mind? The 2014 Farm Bill did address the fraudulent issues, and talked about point of sale, so probably everybody here implemented point of sale requirements. The USDA has chosen, up until now, to not enforce

those fraud provisions, but the 2014 Farm Bill did address a lot of the fraudulent issues.

And, if I may share just a little bit on behalf of the truckstop industry. We talked throughout today that it is important that it our responsibility to encourage more options for SNAP beneficiaries, and not less. So I would attest to what Mr. Beech has said about Casey's. We would evaluate that in the 400 stores in our 40 states. We would clearly not be able to be a SNAP qualified store in our 400 locations either.

Mr. BEECH. I can address that briefly too. Obviously we have a system in place to make sure that people can't buy different items than they are supposed to with SNAP. But I already think you have rules in place that help with fraud, and you put something in the last farm bill that gave them an ability to have a pilot program to start enforcing that better. So we are in complete support as an industry to stop fraud. We believe wasted taxpayer dollars: nobody should be doing that. We encourage anything you can do to stop fraudulent actors, and get those out of our business. But they are already there, they just need to be enforced.

Mr. WRIGHT. Our association will continue to submit comments to USDA about the ways to do this, in agreement with my colleagues here. Things like that, they hurt the whole program. Everybody up here would be totally in agreement that we don't want it wasted in any shape, form, or fashion. You are back to the people that do need it, back to the elderly and people like that.

I will tell you, from my own experience in Atlanta, in a store we opened up, there was a small store there. I am not saying that anything was wrong, like that, but when we came in and offered a better option to that, that store closed.

Mr. AUSTIN SCOTT of Georgia. Yes. Thank you for doing the mission work in Atlanta. That is my home state as well.

Ms. HANNA. And we work very closely with FMI, and we submit comments through them. When there are opportunities to talk to the USDA we will, and do so. But I agree with all my colleagues here, none of us want fraud, and want bad actors, and criminals in our stores, because it brings a risk that none of us want to everyone else. And we don't want fraud, so we are open to discussions to make it a better system.

Mr. AUSTIN SCOTT of Georgia. And FMI, being the Food Marketing Institute, for people who are watching and may not know that. I do think it would help us if we could get those suggestions on how we get those bad actors out of there. And maybe, through the Committee, we can make sure that the USDA takes those into account. So I do appreciate your bringing up the fraud provisions in the 2014 Farm Bill. We want to make sure that we are getting the benefits to the people who need them, but we want to make sure that those benefits go to what they are supposed to be used for, which is nutrition, not alcohol, and cigarettes, and lottery tickets. Thanks for being here.

The CHAIRMAN. The gentleman's time has expired. Mr. Davis, 5 minutes.

Mr. DAVIS. Thank you, Mr. Chairman. I have a quick question for Ms. Hanna. And thank you all for your time here today. Actu-

ally, before I get to your question, Ms. Hanna, Mr. Beech, you grew up in Ankeny, Iowa? Were you there——

Mr. BEECH. Yes, I live in Ankeny now.

Mr. DAVIS. Did you grow up there?

Mr. BEECH. Yes, I grew up in northern Iowa.

Mr. DAVIS. Northern Iowa? Okay. Well, I used to live in Des Moines, and I remember when Ankeny got destroyed by the tornado in the 1970s, so I didn't know if you were affected by that.

Mr. BEECH. No, not at that time. But, yes, Ankeny has had a couple.

Mr. DAVIS. Yes. Thank you for your taco pizza recipe. I have two cases in the hotel. Don't change it. If you do, we will have you back here.

Mr. BEECH. Yes.

Mr. DAVIS. Ms. Hanna, serious question. I know SNAP has completely transitioned to an EBT type system, but WIC, the Women, Infants, and Children's Program, still uses paper vouchers. How does the administration of SNAP compare to WIC as a retailer, especially one that is in slightly larger communities, like my hometown of 11,000?

Ms. HANNA. So the WIC Program is in transition, and I believe they have been given a date of 2020 to move to electronic payment cards. But in today's——

Mr. DAVIS. Is that fast enough?

Ms. HANNA. It is really not fast enough. It really needs to move faster. Because what we have seen is that, when you are dealing with a paper voucher, which is very nondescript on what is eligible for purchase and what is not, it creates much confusion with these mothers who are trying to buy nutritious items for their children and their babies.

Mr. DAVIS. And they have impatient customers waiting behind them in line and they then may leave without the food that they need to feed their child because of this.

Ms. HANNA. That is correct.

Mr. DAVIS. Do you attribute it to the lack of the EBT card, and the ease of access?

Ms. HANNA. Yes, I think that is a big part of it. And we actually did this several years ago. We gave a voucher to many of our leadership, and sent them out to a store, and we said, go see if you can figure out what you are supposed to buy with this. And they were all stunned, because it is very nondescript. And you bring it up to the register, and you scan it, well, no, that is not eligible. So when they moved to a card, it is very specific, and then what is eligible on that card does go through the system appropriately. So moving to a more electronic system faster for the participants in the WIC program would be a good thing for all.

Mr. DAVIS. So your message to all the bureaucrats who sit in the concrete buildings out here at the United States Department of Agriculture and others is work faster than 2020, make it easier on those who need the benefits the most, let us make sure that the benefits go to those who deserve them and let us not cause any more delays and confusion in the line, which is very pressure packed anyway.

Ms. HANNA. That is correct.

Mr. DAVIS. Thank you very much. I will yield back.

The CHAIRMAN. The gentleman yields back. Ms. Kuster, 5 minutes.

Ms. KUSTER. Thank you, Mr. Chairman, and thank you for holding this hearing. And I just want to pick up where Mr. Davis left off. I come from a rural district in New Hampshire, the western part of the state, a lot of small towns. And we have talked in this Committee before, in particular during the farm bill, about food deserts. Typically thought of in urban areas, but I have food deserts in rural areas. It is a heartbreak, because, honestly, if people's lives were not so busy, and if you went back a generation, this was the part of the country where people grew their own food. But we know what lives are like now, with a single mom, and a couple of kids, and trying to pick up, and drop off, and get where you need to be. So we have communities where it would be a half hour round trip in the winter on bumpy roads to get to a full on grocery store with all the fresh fruits and vegetables that we want to be encouraging healthy families to eat.

And I apologize, I was at the Veterans Committee, so I haven't heard from all of you, but I am going to let anybody dive in. My question is this distinction, and I am not sure I even understand what the original policy was about, but both on the processed food, food that you heat, I am talking about. I want people to eat healthy food, but food that you heat, how has that regulation gotten in the way of getting people the food that they need? And then also, if anybody could speak to the convenience store food, and particularly how we can encourage, and help you to get more fresh fruits and vegetables into the convenience store setting. I know bananas are making a big comeback in convenience stores, but is there something else that we could do to help? And I agree with Mr. Davis, let us get the food to the people who need it in the most timely way. So any commentary on those two rules, and what we could do to change them?

Mr. BEECH. Yes. I would talk a little bit about the first part of that, the part where we have 220 of our stores are in rural areas, we haven't been able to understand the dichotomy of why you sell hot foods, and you wouldn't be able to participate. I understand how it comes up in the rule. It is in the definition of what is called a *retail store.* So it says if you sell more than 15 percent, then you are not a store, so you would not be eligible. So that is how——

Ms. KUSTER. Well, they need to drive around my district, because these are not restaurants. This is just the only place to get it, it may be a braised chicken.

Mr. BEECH. Exactly right.

Ms. KUSTER. It could be healthy. It can be healthy but it is a hot meal, and maybe it is the only hot meal that day.

Mr. BEECH. Exactly right. And, again, for single moms that come in, they can pick up bread and milk at our stores, and maybe bring home a pizza for supper as well.

Ms. KUSTER. Yes, it gives them another half an hour to help with homework.

Mr. BEECH. Yes, that is exactly right.

Ms. KUSTER. I was a working mom. I know this problem.

Mr. BEECH. Yes. And we couldn't agree with you more. So that is one of the big concerns. And then the multi-ingredient foods are not eligible to count as your stocking requirements. So if you have chicken noodle soup, or if you have macaroni and cheese, we don't get any credit for those. They have to be single ingredient. And so, when people are trying to feed their family, many of our items are multi-ingredient that people can eat, frozen lasagnas, or stews, or things like that. But, again, they don't count in the stocking requirements under the new rules, which, again, causes small format stores to have major concerns.

Ms. KUSTER. Thank you. And I know my time is probably close to up. Any comment on the fresh fruits and vegetables?

Mr. WRIGHT. One thing that Carver Market in Atlanta was successful with is doing two for one SNAP bucks that were underwritten by private foundations. Before they started a program, nine percent of the SNAP benefits usage bought fresh produce. After they moved to that, it was 53 percent in there. So, at the end of the day, these are families who are trying to feed themselves, feed their families, and get as much as they can. But that was an avenue where it was a very efficient use of resources. It was underwritten by private organizations that were very interested in health and wellness, and it very much moved the needle in these areas in order to get people to start looking at fresh fruits and vegetables.

Ms. KUSTER. Wow. What is interesting is we did the two for one SNAP benefit at the farmers' markets, which is hugely successful in my district, both to expand the farmers' markets and encourage local growers, but also for the health and well-being of the beneficiaries. But, I will get my team to look into expanding that. So thank you very much, and I yield back.

The CHAIRMAN. The gentlelady's time has expired. Mr. Crawford, 5 minutes.

Mr. CRAWFORD. Thank you, Mr. Chairman. Mr. Wright, it sounds like your geography is an awful lot like my district. I have 30 counties, mostly rural, and the irony of our district, it is one of the most productive ag regions in the world, and yet we have a lot of food insecurity. But I like your idea, your shuttle service, online ordering, home delivery services. And they sound like really good programs that is geared toward reaching out to these communities that have limited access. Talk about some of the challenges you have had implementing those programs, and are you able to partner with some charitable organizations in the community to help offset your costs?

Mr. WRIGHT. Yes. The first thing would be just the ability to take SNAP through mobile, would be the biggest thing. That is not an option right now for us, so that would be the first step, to do that. And, yes, improving on what we have seen in Atlanta with the foundations, back to my comments about some of the faith-based initiatives out there, there are certainly people that would help expedite the process, as far as the cost to get food to some of these places.

The Congresswoman over here said something about access to computers and technology. That is another issue that we believe private groups, whether it be faith-based, whether it be a founda-

tion or something like that can be a great help in order to provide the resources that people could order online. And to your comments, they are just areas that are rural, and a physical store is just not going to be an option out there.

Mr. CRAWFORD. Mr. Beech, let me direct this to you. And we have Casey's in my district, and I appreciate the services you provide. By offering groceries in your store, you allow a lot of convenience and accessibility in rural communities that might not otherwise have access, but how do you keep your prices competitive with larger grocery markets, or are you able to?

Mr. BEECH. Well, thanks for the kind words. Yes, we pride ourselves that we have our own distribution system, so we think our prices are extremely competitive on those items. They may be a couple cents higher on some items, but, again, that goes back to the stocking requirement provision in the law. Convenience stores don't stock six and seven items at a time, because we don't have the space, so we only have one or two. So we have to have distribution on one and two items, as opposed to a case load. So our distribution is a little bit more expensive in that regard as an industry, but we are very competitive, we think, with our friends in the grocery store chain, and don't think that is a concern regarding this program.

Mr. CRAWFORD. Let me switch gears just a little bit. You talked about the point of sale system that you use, which differentiates what products are SNAP eligible and what products are not. How are those items differentiated at the checkout? Can a cashier, hypothetically, override the system? Or how does a SNAP customer go about paying if they are buying both eligible and ineligible products?

Mr. BEECH. Well, our system will specifically talk to them. It will say, this is eligible, this is not, and so then you will have to take that item, and then they will have to pay a second transaction on that. So it physically won't ring that up.

Mr. CRAWFORD. Okay. Is that a proprietary point of sale?

Mr. BEECH. No, I think it is pretty well in the industry.

Mr. CRAWFORD. Is it?

Mr. BEECH. These guys are shaking their heads. I think everybody has this in the industry, and it is fairly common to have that. And you have just got to keep up with your products, do a new price book, to make sure that is the case. But it is not proprietary, no.

Mr. CRAWFORD. Okay. All right. Thank you. I yield back.

The CHAIRMAN. The gentleman yields back. Mr. LaMalfa, 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. Mr. Wright, I am sorry, I also was in a previous committee, Natural Resources, and didn't get to hear everything beforehand. You mentioned a couple times, since I have heard you talking about having charitable organizations, faith-based organizations, be able to be of assistance in this, could you expound on how far and wide that role could be? Because hearing you say that, seems to me it gives more flexibility, has probably more accountability than a bureaucracy that is more 9:00 to 5:00, and can probably help people more.

I remember my first term here, when we first started the discussion on the farm bill, and the food stamp portion of the program, I mentioned that, and I got yelled at by the press for the next 2 or 3 years, saying we wanted to just turn it all over. But, it seems to me that I am hearing you say it could add an important component in helping to manage the program, or even be a bigger part of it. Would you expound on what you see as, right now, or potential in the future, you mentioned delivery as well. Can these organizations be part of a delivery system too? So please tell me what you think in the real world on how they could be more helpful, or take a greater role.

Mr. WRIGHT. In Atlanta, the store we work with, Carver Market, is owned by a faith-based nonprofit ministry, so there is an example of someone who actually did a brick and mortar store. You continue to see organizations at Auburn University, next door. You have the Hunger Solutions Institute, and a large outreach from that. Plenty of faith-based organizations, churches in rural communities, and stuff like that. So there are a number of resources that can come in to assist in some of these areas.

I think that, especially in our area, and I will say this just about the SNAP Program in general, we work very hard in our community in Opelika to help try to move people to self-sustainability, and we work very hard in this industry to do the same thing. And so our independent grocers are located in every district you all have. In our own community, I have tried to work with our city leaders and faith-based organizations, and we have done a good job to try to get people, again, into self-sustainability, but faith-based becomes a big part of that as we try to make connections in the community. You try to build relationships, you try to find out what is going on with people and their families that have those discussions of how they got there.

Most all the people that we see using SNAP today are people that are trying. There are certainly people that do the wrong thing, on the retailer side, and also on the participant side, but most of the people we see in our store are trying very hard. And so it becomes a part where the faith-based organizations, or community organizations, or universities, or private foundations can come to the table and help, for lack of a better term, bridge this gap between having to have benefits and support in someone's life, and move that to a point of self-sustainability out there. We still have plenty of people in our country that they are, whether they are disabled, whether they are elderly, or something like that, don't need our help.

So overall, the program is good, but whether it is our industry, whether it is faith-based or foundations, all the people who are coming to the table are trying to make this better. And SNAP is a good program, and between our industry, there is a great push in our industry on health and wellness. Our consumer goods companies are very much trying to make products healthier. We are all working collectively together. Industry, retailers, communities are trying to work together to make things better for our country, but SNAP is, for lack of a better term, that *safety net,* that bridge in there. And so we can——

Mr. LAMALFA. But it is one of them. It is called the Supplemental Nutrition Program. There are a lot of them, so we kind of have to remember we are not relying completely on that one.

Mr. WRIGHT. Right.

Mr. LAMALFA. And I appreciate that. Do you see that, again, Mr. Crawford mentioned, on the ability to get food to people that these organizations that aren't the government, and aren't the stores, would have a greater role in delivering, like you said, the disabled, or elderly and such. Is that a bigger and bigger piece coming, where you have grocery delivery?

Mr. WRIGHT. Yes. I think that for us, in our own market, and the customer base that we serve, we have seen that, as we introduce online shopping and delivery in our business, that is a lot of the comments we got from people looking for help. Either elderly that can't get out, access to food in rural communities, there is somebody 30 miles away from us. But that is——

Mr. LAMALFA. Do you see efficiencies in that too? I mean, can they make——

Mr. WRIGHT. Well——

Mr. LAMALFA. My time is up. All right, sir.

Mr. WRIGHT. Yes. And back to our earlier discussion, if you start going 30 miles away, there has to be some sort of central point that we can deliver a number of things to.

Mr. LAMALFA. Yes, makes sense.

Mr. WRIGHT. And so if you have a church, or community, or faith-based organization that can serve as that central hub to help with the cost of us getting that product out there, then that is where the organizations you are referring to really can come to the table and help supplement it.

Mr. LAMALFA. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. Ms. Lujan Grisham, 5 minutes.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman, and thanks to the panel here today. Everyone on this Committee is always happy and supportive to hear about collaboration and private partnerships that give us opportunities to take the resources that we are providing that are part of the safety net, and to make sure that we are giving those beneficiaries as many opportunities as we can. In particular, the Fresh Savings Program is great. I do the SNAP Challenge every time that is offered to Members of Congress. And the only thing I could afford to buy, if I was going to have sufficient food for the week on $1.50 a meal at the grocery store was a banana. And everything else was processed food because it lasts longer, and you get bigger quantities. So, really, trying to figure out, through the eyes of a grocery store, how you can do that better, and how to really know your store, and, actually, to know the folks in the store, who are very helpful, usually. In addition, I really appreciate that Kroger and AARP are doing tours, so that you do have those relationships.

I used to be the Secretary of Health and the Secretary of Aging. And while I am a huge supporter of the Older Americans Act programs, including their meal programs, which are either congregate meals at senior centers or home delivered meals, there are huge waiting lists. There are lots of problems currently in that system,

particularly as this population is growing. But one of the larger issues in that program is there is not a requirement that we use dieticians. There are nutrition staff kind of looking at menus. We have to meet the USDA ⅓ requirements. But the reality is, with special needs, special diets, and chronic illnesses, we aren't doing that. Do any of these programs contemplate or utilize nutritionists or dieticians in these tours, or helping people figure out, in Fresh Savings, about what is the best choices for them?

Ms. HANNA. We have employed dieticians and nutritionists in many of our stores to help customers figure out what the shopping budget and order needs to look like in order to maximize dollars, and to make sure that it is nutritious and healthy, and it will avoid any kind of allergies they may have, or if it is any kind of medical issues that they are dealing with. So it is something that we have been able to do, and continue to promote, and work, as we can get into more stores with it. I think it is good.

Ms. LUJAN GRISHAM. I have to tell you, Mr. Chairman, that is very impressive. It is not an easy enterprise. It can be cost prohibitive for smaller stores and smaller programs, but it is exactly the right thing to do. And then it gets to the bigger issue that we have, is having those healthy outcomes, and providing the resources and benefits to help leverage.

I understand that these programs, particularly the touring of the grocery stores, is only available in two states. Is it Tennessee and Mississippi, is my information right about that?

Ms. HANNA. That is all that I am aware of.

Ms. LUJAN GRISHAM. All right. Well, tell us what we can do to help you expand those efforts. And I would actually just look at it from this perspective, particularly with AARP, that you can focus on states. Tennessee and Mississippi, I would say, fall into that category, where you have high poverty levels, you have chronic illnesses, you have obesity issues. New Mexico, unfortunately, falls into that category.

But if you were to look at both maybe high risk states, and then states that are not high risk, and sort of see if you can get them on par by having those relationships, that might be a way to benefit the country, and those beneficiaries in a meaningful way, and maybe gives us an opportunity, in this Committee, to expand those efforts, and provide incentives in some way. And that would be my last thing. Let us know what we can do to continue to support your efforts in this regard, because I do think, ultimately, they make a difference.

One last point, and I don't know how the Chairman puts up with me. I am lucky in this committee. But, New Mexico has one of the highest rates of grandparents raising grandchildren. And in this space, then, you have kids that are on SNAP benefits, and you have the senior who qualifies without raising those kids, and so you have that family benefit. Teaching those kids in that environment is great, so then you get kind of that family aspect. And I know AARP is well aware of those statistics. Florida has those issues, New Mexico has those issues, and that is another area for you to maybe highlight in the work that you are doing. Thank you very much. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentlelady yields back. Mr. Allen, 5 minutes.

Mr. ALLEN. Yes, sir. Thank you, Mr. Chairman, and thanks, all of you, for being here. And, Mr. Wright, War Eagle. I was over there in God's country for 4 years, between 1970 and 1974, so I know a little bit about that area, but good to have you with us here today.

Obviously the comments I get from folks in my district is they go to the grocery store, they go to the convenience store, and they see people using the card, and then using cash to do other things, and either what they term, would be *inappropriate food.* And with the technology that we have today, you would think that we could figure that out, or maybe, as an industry, could we figure that out? If the Federal Government is not real good at figuring that out, as far as how do we stop waste, fraud and abuse? Because, like I said, these practices are on display. People see it every day, and they get real upset about those kind of things that are going on.

So, Ms. Hanna, from an industry, you have probably already addressed some of these things, but looking down the road, is there a way to make sure that the right foods, and some of these things that we have talked about already, as an industry, and also dealing with the bad actors. Maybe a certification process, or something, that we can make this better for those who are in need, but also those folks, the great American taxpayers, who are footing the bill for this?

Ms. HANNA. Yes. It really comes down to collaboration of all the parties. So it needs to be the agencies, it needs to be the retailers, and it needs to be the participants in understanding and knowing how do you make healthy choices? What should you be buying which is not just going to fill your hunger need right now, but really as the medical profession and the health care profession is teaching us, and teaching children that if you eat almonds, or if you eat a banana, that will sustain you longer than eating a candy bar.

Mr. ALLEN. Yes.

Ms. HANNA. But the system that has been designed, which provides the information to the retailers to say, here are the eligible items, and the retailers that have implemented that, and that works well, because if it needs to be clear, then FNS could, again, elaborate, and make things more clear. But, our system today, because it does tell us these are eligible items, and these are non-eligible items. That is well known in our systems today, which we all use, restrict those ineligible items. But it becomes more education and understanding that if I buy this, it really is better for me, and it is more healthy for me, and that will sustain me longer. So, it just becomes a better collaboration between all of the stakeholders that are involved in it.

Mr. ALLEN. Mr. Wright, obviously you know most of your customers on a first name basis, which is great. I love to go to the grocery store, I will be honest with you. Of course, it is a great way to see my constituents and whatnot as well, and, of course, they can't believe that I am actually shopping for groceries, but I like ice cream, and my wife won't buy me ice cream, so I have to go buy my own ice cream.

But, anyway, your customers, for example, that you know they are using the cards, and that sort of thing. I mean, would an orientation process, like Ms. Hanna said, education is critical. Where

are we missing the boat? Can we have, "Okay, now that you are receiving these benefits, let us have an orientation process." This is what you can buy, these are the kinds of things that you need, just some real good education on nutrition that maybe they didn't get when they were in school, or something like that?

Mr. WRIGHT. Yes, I would agree with Ms. Hanna, that there is a piece of education there that would help tremendously. In the store in Atlanta that I work with, they have done some things with some chefs, and had some community gatherings where they taught people how to cook healthier. As we talked earlier today, they have been very successful with a two for one SNAP Bucks Program that was underwritten by some private foundations, and it dramatically moved the amount of fresh produce that SNAP recipients were purchasing.

So there are a number of initiatives out there. Certainly, we are all aware that the insurance thing affects all of us. The insurance rates affects all of us, the healthier our nation, the better that our rates are, and we certainly want to participate in that in any way we can.

Mr. ALLEN. Well, we certainly want to continue the program. It is important to those folks who need its nutrition. But, at the same time, we have to fix this thing, because there are a lot of folks that are really upset about some of the things that are going on. Thank you, and I yield back.

The CHAIRMAN. The gentleman's time has expired. Mr. Benishek, 5 minutes.

Mr. BENISHEK. Thank you, Mr. Chairman. Thanks for being here this morning. I missed the early part of the hearing, so I apologize for that. But I just had a couple questions, little bit more about this nutrition thing. I am intrigued about it. Did I hear that some of those grocery stores actually have, like, a cooking class in the store? Can you just tell me a little bit more about that?

Ms. HANNA. Yes. In many of our stores we have chefs who actually do demonstrations of cooking classes, and talk about how to prepare very healthy, nutritious meals, and then help the shoppers to create menus, and what products to buy in order to meet those cooking goals. We also have dietitians and nutritionists that also are available to help customers when they want to understand about——

Mr. BENISHEK. Well, where are they available? Like, right in the store? You call them up, or what do you do?

Ms. HANNA. No, they are in our stores, sir, in various locations.

Mr. BENISHEK. Well, I just think that is interesting. I am glad you can see the usefulness of that. Let me ask another question to you, Ms. Hanna, because you have this big company. When you apply to be a part of the SNAP Program, does every single individual store have to make an application process, or do you as the company do it? Is it company-wide?

Ms. HANNA. No, every individual store has to make an application to get a license to be a SNAP acceptor, so that it is handled on an individual level.

Mr. BENISHEK. So every store is inspected, then at some point?

Ms. HANNA. Yes.

Mr. BENISHEK. Let me ask another question, I don't know if it was asked already, but there has been one reading that I did, it talked about, because SNAP recipients get their benefits all on the same day, that that sometimes can be a problem at the grocery store with stocking, or would there be some benefit in staggering that, or giving people their benefit twice a month? Maybe each of you could talk to this, is there any benefit to thinking about doing something like that?

Ms. HANNA. Many of the states, not all of them, but many of the states have staggered benefits, and some have staggered them only a few days. Some have staggered them bi-monthly. But we encourage states to stagger their benefits out more days through the month. What happens is if you are putting out all of the benefits on one day, then you are going to have a lot of customers come in. So you have a lot of customers coming in we want to make sure that——

Mr. BENISHEK. Right. All the hamburger is gone.

Ms. HANNA. Well, we want to make sure that there is eligible stock for all the customers. And, we want to make sure that that is available for them. So it helps if they are staggered out.

Mr. BENISHEK. Right. Anybody else have a comment on that?

Mr. WRIGHT. We are very fortunate in Alabama that we moved, with cooperation between NGA, Alabama Grocers Association, and DHR, Department of Human Resources, we moved from a 14 day schedule to a 21 day schedule, and it was a great help to us at retail in order to run the store, and, as Ms. Hanna said, to have the stock on the shelves, and things like that. When it was at 14 days, it was a challenge to really take care of everybody on the level that we would want to serve our customer.

Mr. BENISHEK. I guess I don't understand the 14 *versus* 21 days. What does that mean?

Mr. WRIGHT. Yes. In the past the benefits started distributing, and they are distributed by case number, and they were distributed over a 14 day period. And then now the schedule is expanded to 21, so——

Mr. BENISHEK. The same number?

Mr. WRIGHT. Yes, they are spread out. Same number, just spread out further.

Mr. BENISHEK. Yes, okay. Cool. All right, thank you. I will yield back. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman yields back. I want to thank our witnesses for being here today. This has been one of the more bipartisan attacks on a rule system that is just not working. And, first off, has either your store individually, or your groups, put your written comments in to FNS on this new rule? Yes from everybody? Okay. That is really important. Clearly, I don't believe there is any mal-intent at FNS. They just don't understand the system. And then, when you don't understand the system, you are in an academic mode, and you have a way of writing rules that don't work in the real world. And so, hopefully, we will see FNS take this testimony, and in particular David Scott's rather sugar coated comments, to heart in this endeavor.

Again, thank you very much. You provide an integral part of the system, particularly from an integrity standpoint. None of you

want the system to be besmirched with bad actors. Like I said previously, they had this issue in Florida this morning, where a storefront with no food whatsoever had redeemed some $13 million in food stamps, and I am not sure how that happens. That investigation will go forward. But every time that pops up, you have folks out there who don't really understand the impact that feeding hungry people has, and they just come off on the wrong foot.

Mr. Wright, I am particularly impressed with your heart for this issue, and the way that you have reached out. The things that you do to innovate, and the flexibility of having no shareholders. You have a wife and a family to decide how much money your store makes, and that gives you a little bit more freedom, perhaps, than others. But across all four witnesses I heard great things, in terms of trying to work with an important population. Some 45 million Americans are beneficiaries of that program, and you help to make that work.

With that, under the rules of committee, the record of today's hearing will remain open for 10 calendar days to receive additional material, supplemental written responses from the witnesses to any questions posed by a Member. This hearing of the Committee on Agriculture is adjourned. Thank you.

[Whereupon, at 11:52 a.m., the Committee was adjourned.]

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(THE PAST, PRESENT, AND FUTURE OF SNAP: EVALUATING EFFECTIVENESS AND OUTCOMES IN NUTRITION EDUCATION)

WEDNESDAY, JUNE 22, 2016

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 9:58 a.m., in Room 1300 of the Longworth House Office Building, Hon. K. Michael Conaway [Chairman of the Committee] presiding.

Members present: Representatives Conaway, Goodlatte, Gibbs, Austin Scott of Georgia, Gibson, Hartzler, Benishek, Davis, Yoho, Walorski, Allen, Bost, Rouzer, Abraham, Moolenaar, Newhouse, Kelly, Peterson, David Scott of Georgia, Fudge, McGovern, DelBene, Vela, Lujan Grisham, Kuster, Nolan, Bustos, and Graham.

Staff present: Caleb Crosswhite, Haley Graves, Jadi Chapman, Mary Nowak, Stephanie Addison, Faisal Siddiqui, Lisa Shelton, Liz Friedlander, Mary Knigge, Robert L. Larew, Nicole Scott, and Carly Reedholm.

OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

The CHAIRMAN. This hearing of the Committee on Agriculture, *The Past, Present, and Future of SNAP: Evaluating Effectiveness and Outcomes in Nutrition Education,* will come to order.

Please join me in a quick prayer.

Holy Father, thank you, Lord, for the privilege of serving as we do here, Members of Congress. Help us to be worthy of the trust that our constituents put in us. Give us wisdom and knowledge and discernment as we deal with things that affect the lives of everyday, good-hearted American people. Blessings to our Service. And we ask these things in Jesus' name. Amen.

All right. Well, good morning. Thanks everybody for being here.

I want to welcome the witnesses to today's hearing and thank them for taking the time to share their impressive collaborative experience working to improve the diets and health among families across the country through nutrition education. This hearing, like those before, builds on the Committee's top-to-bottom review of the Supplemental Nutrition Assistance Program, or SNAP, so as the Committee concludes our review, we will be positioned to make

meaningful improvements to the program. As the Committee with jurisdiction over USDA, it is one of our principal responsibilities to oversee these programs to ensure that they are working most effectively for recipients, community leaders, and the American taxpayers.

In this hearing we will discuss the history and evolution of the SNAP-Ed program, which is the nutrition education arm of SNAP; specific program models and interventions; how SNAP-Ed complements and works with other nutrition education programs, such as the Expanded Food and Nutrition Extension Program, or EFNEP; and efforts currently taking place that put greater emphasis on measuring outcomes to ensure dollars are used effectively.

As a component of the overall SNAP program, the mission of SNAP-Ed is to improve the likelihood that persons eligible for SNAP will make healthy choices within a limited budget, and choose active lifestyles consistent with the current *Dietary Guidelines for Americans.* This is no short order. More than ⅔ of Americans, and nearly ⅓ of children and youth are overweight or obese. About ½ of all American adults; 117 million individuals, have one or more preventable chronic diseases, many of which are related to poor quality eating patterns and physical inactivity. These high rates of overweight and obesity and chronic disease have persisted for more than 2 decades and have come not only with increased health risks, but also at a very high cost. In 2008, the medical costs associated with obesity was estimated to be $147 billion.

There is no silver bullet to these serious health issues. It is a complex problem that will likely take a multi-prong approach. While obesity cannot be tied solely to socioeconomic status, it can be linked to food insecurity. It will take a collaboration between policymakers, state and local organizations, business and community leaders, schools, childcare, healthcare professionals, and individuals to create an environment that supports a healthy lifestyle for all Americans, and that is what we want to achieve.

Throughout our review of SNAP, we have consistently heard that community engagement and collaboration are key in addressing many of the challenges communities face. Responses at the local level are more reactive and able to address the individual needs in their neighborhoods

I am eager to hear from our witnesses today how they have leveraged Federal resources to improve the nutritional quality and overall health of low-income families in their communities.

Historically, Congress has supported and invested in prevention programs, such as SNAP-Ed and the EFNEP, which educate and promote healthy eating habits to prevent long-term health-related expenses, and to empower low-income individuals to cook nutritious meals on a budget. In addition to nutrition education, this February the House Agriculture Committee held a hearing to review the Food Insecurity Nutrition Incentive, or FINI, program which aims to increase the consumption of fruits and vegetables. These approaches seem to each have their place in promoting proper nutrition. But, as we get closer to concluding our SNAP review, are there alternatives in which we can improve overall health outcomes?

Again, I want to thank our witnesses for providing their expertise and working with our Agriculture Committee to ensure SNAP recipients are given a recipe for successful health.

[The prepared statement of Mr. Conaway follows:]

PREPARED STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

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In this hearing we will discuss the history and evolution of the SNAP-Ed program, which is the nutrition education arm of SNAP; specific program models and interventions; how SNAP-Ed compliments and works with other nutrition education programs, such as the Expanded Food and Nutrition Extension Program, or EFNEP; and efforts currently taking place that put greater emphasis on measuring outcomes to ensure dollars are used effectively.

As a component of the overall SNAP program, the mission of SNAP-Ed is to "improve the likelihood that persons eligible for SNAP will make healthy choices within a limited budget and choose active lifestyles consistent with the current *Dietary Guidelines for Americans.*" This is no short order. More than ⅔ of adults and nearly ⅓ of children and youth are overweight or obese. About ½ of all American adults—117 million individuals—have one or more preventable chronic diseases, many of which are related to poor quality eating patterns and physical inactivity. These high rates of overweight and obesity and chronic disease have persisted for more than 2 decades and come not only with increased health risks, but also at a high cost. In 2008, the medical costs associated with obesity were estimated to be $147 billion.

There is no silver bullet to these serious health issues. It's a complex problem that will likely take a multi-prong approach. While obesity cannot be tied solely to socioeconomic status, it can be linked to food insecurity. It will take a collaboration between policymakers, state and local organizations, business and community leaders, schools, childcare and healthcare professionals, and individuals to create an environment that supports a healthy lifestyle for all Americans—and that's what we want to achieve. Throughout our review of SNAP, we have consistently heard that community engagement and collaboration are key in addressing many of the challenges communities face. Responses at the local level are more reactive and able to address the individual needs in their neighborhoods. I am eager to hear from our witnesses today how they have leveraged Federal resources to improve the nutritional quality and overall health of low-income families in their communities.

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Again, I want to thank our witnesses for providing their expertise and working with the Agriculture Committee to ensure SNAP recipients are given a recipe for successful health.

The CHAIRMAN. And with that, I turn to the Ranking Member for any comments that he has.

OPENING STATEMENT OF HON. COLLIN C. PETERSON, A REPRESENTATIVE IN CONGRESS FROM MINNESOTA

Mr. PETERSON. Thank you, Mr. Chairman. And I would also like to welcome today's witnesses to the Committee, and I look forward to hearing your testimony on SNAP education efforts.

SNAP education and outreach is important, and there are a lot of lessons that can be learned from some of these efforts that the states have undertaken. Minnesota, for example, has a collaborative program called Choose Health that makes CSA shares available to low-income households. I am looking forward to learning more about other state programs.

I believe this is the 15th hearing the Committee has held to review SNAP. It has certainly been a thorough review. And hopefully, what we learn today can be combined with information from past hearings, and we can focus on developing good policies.

So with that, I look forward to hearing the witnesses, and yield back.

The CHAIRMAN. I thank the gentleman.

The chair would request other Members submit their opening statements for the record so the witnesses may begin their testimony, to ensure there is ample time for questions.

[The prepared statement of Ms. Adams follows:]

PREPARED STATEMENT OF HON. ALMA S. ADAMS, A REPRESENTATIVE IN CONGRESS FROM NORTH CAROLINA

Thank you Mr. Chairman.

It is well established by public health professionals that the consumption of more fresh fruits and vegetables is key to better weight management.

Funding from SNAP-Ed and the Expanded Food and Nutrition Education Program have provided critical resources to land-grant universities such as my alma mater North Carolina A&T, to educate families and children on healthy eating and living habits in the 12th District.

The current level of SNAP benefits is not enough for families to purchase fresh fruits and vegetables and to put food on the table through the end of the month.

SNAP benefits must be increased to allow families to fully utilize the skills they learn in SNAP education programs.

That is why last month I introduced H.R. 5215, the Closing the Meal Gap Act of 2016.

Among its several provisions to strengthen the SNAP program, this bill requires that SNAP benefits be calculated using the Low Cost Food Plan instead of the Thrifty Food Plan. Using the Low Cost Food Plan takes into account how much working people, including SNAP recipients, spend on food in order to have a nutritious diet.

I thank Members of this Committee who have already joined this important legislation, and encourage all Members to cosponsor this bill.

The CHAIRMAN. I would like to welcome to our witness table today Dr. Kimberlydawn Wisdom, Senior Vice President, Community Health and Equity at the Henry Ford Health System in Detroit, Michigan. I was just in Detroit on Friday. The weather was perfect, along with my visit. I had a good time. Ms. Susan Foerster, Founding Member of the Association of SNAP Nutrition Administrators, Carmichael, California. Dr. Shreela Sharma, Professor of Epidemiology at the University of Texas, and she is a Co-Founder of Brighter Bites, Houston, Texas. And I would like to recognize Mrs. Hartzler to introduce our final witness.

Mrs. HARTZLER. Thank you, Mr. Chairman. I am really excited to introduce a real hero of nutrition education from Missouri, and

that is Dr. Jo Britt-Rankin. She is the Associate Dean of Extension at the University of Missouri, and Dr. Britt-Rankin serves as the Administrative Director of the Expanded Food and Nutrition Education Program and SNAP Education Programs for the State of Missouri.

Dr. Britt-Rankin received both her Master's and Doctorate in nutrition education from the University of Missouri, my alma mater, and her Bachelor's in human development and family studies from the University of Illinois.

Like myself, Dr. Britt-Rankin has spent a significant amount of her career dedicated to nutrition education. We appreciate her leadership and expertise, and we look forward to your testimony.

Thank you. I yield back.

The CHAIRMAN. Thank you very much.

Dr. Wisdom, when you are ready to begin, the microphone is yours.

STATEMENT OF KIMBERLYDAWN WISDOM, M.D., M.S., SENIOR VICE PRESIDENT, COMMUNITY HEALTH & EQUITY AND CHIEF WELLNESS AND DIVERSITY OFFICER, HENRY FORD HEALTH SYSTEM, DETROIT, MI

Dr. WISDOM. Good morning, Chairman Conaway, Ranking Member Peterson, and Members of the Committee. Thank you for the opportunity to speak before you today to discuss the critical importance of SNAP and SNAP nutrition education for good health.

My name is Dr. Kimberlydawn Wisdom, and I am Senior Vice President of Community Health and Equity, and the Chief Wellness and Diversity Officer at Henry Ford Health System in Detroit, Michigan, one of the nation's leading comprehensive integrated health systems, and a Malcolm Baldrige National Quality Award winner. I am a board certified emergency medicine physician, and previously served as Michigan's, and the nation's, first state-level Surgeon General. I also serve on the Board of the Public Health Institute, which has been one of the nation's leading implementers of SNAP nutrition education, also known as SNAP-Ed.

Henry Ford Health System is proud to implement a SNAP-Ed program in the City of Detroit and Macomb County. As a physician, I can attest that both SNAP and SNAP-Ed are vital tools in our arsenal to tackle the challenges of obesity, chronic disease, and hunger that threaten the health and well-being of our nation.

For over 50 years, SNAP has served as the foundation of the nation's hunger safety net, helping to combat the impact of poverty and subsequent malnutrition. In the 21st century, the face of malnutrition looks very different than the extreme hunger that shocked so many Americans when the food stamp program was first established.

Today, SNAP recipients live in neighborhoods and communities where making healthy choices can be challenging, if not impossible, due to the lack of safe, well-equipped, and well-maintained places to work and play, and the absence of nearby full-service grocery stores and other health services. These factors contribute to the malnutrition that now coexists with overweight and obesity. Comprehensive literature reviews examining neighborhood disparities and food access have found that neighborhood residents with better

access to supermarkets tend to have healthier diets and reduced risk for obesity.

While the face of malnutrition today is different than it was, the root cause and solutions remain the same, and SNAP continues to be our nation's first-line defense to improve nutrition and well-being among low-income Americans.

Research clearly shows that USDA Federal nutrition programs do not contribute to the current obesity crisis in the United States. Instead, SNAP participation is associated with better dietary quality among low-income adults who are food-insecure. In fact, by improving dietary intake and reducing food insecurity, participation in Federal nutrition programs plays a critical role in obesity prevention.

Henry Ford Health Systems' SNAP-Ed program funded through a grant from the Michigan Fitness Foundation is called Generation With Promise, and is one example of 49 effective programs throughout the State of Michigan that are changing the culture of food and health. Now in its ninth year, the program reaches youth and families in Detroit and Macomb County, and provides nutrition education, physical activity promotion, youth leadership development in elementary, middle, and high schools. We also work with community and faith-based organizations to promote healthy eating through cooking demonstrations and nutrition education.

Today, our program serves among 40,000 youth and adults at schools, community organizations, and faith-based sites, with nearly 115,000 contacts. As a result of our program, just under 90 percent of adults reported an increase in their consumption of fruits and vegetables, and over 80 percent of youth reported an increase in their consumption of fruits and vegetables. All aspects of our program are evaluated to measure impact and outcomes.

Overall, in 2014 and 2015, Michigan's SNAP-Ed program, funded through the Michigan Fitness Foundation, has shown an annual increase in fruit and vegetable consumption of 170,000 to 200,000 cups per day statewide; a health and an economic driver.

SNAP-Ed is also making connections to healthy food systems and other resources and communities, including gardening, cooking classes, and farmers' markets. These partnerships benefit Michigan's farmers, strengthen the local economy, and provide farmers with new revenue streams and increased sales of specialty crops. SNAP-Ed is helping low-income families learn the importance and value of agriculture and the source of their food.

Last October, as news of the public health water crisis in Flint emerged, the Michigan Fitness Foundation and SNAP-Ed partners were able to react quickly to adjust and augment their nutrition education focus, and reach under-served neighborhoods and residents to highlight food and food safety practices that were lead-protecting.

In closing, I want to underscore that both SNAP and SNAP-Ed are key in our fight to address the epidemic of obesity and overweight in children and adults that leads to largely preventable chronic diseases. These programs are critical in the effort to eliminate hunger and malnutrition, particularly in children, and can help improve overall poor health that perpetuates a cycle of poverty.

Thank you so much for your time and attention.
[The prepared statement of Dr. Wisdom follows:]

PREPARED STATEMENT OF KIMBERLYDAWN WISDOM, M.D., M.S., SENIOR VICE PRESIDENT, COMMUNITY HEALTH & EQUITY AND CHIEF WELLNESS AND DIVERSITY OFFICER, HENRY FORD HEALTH SYSTEM, DETROIT, MI

Good morning Chairman Conaway, Ranking Member Peterson, and Members of the Committee. Thank you for the opportunity to speak today.

My name is Dr. Kimberlydawn Wisdom, and I am the Senior Vice President of Community and Health Equity and Chief Wellness and Diversity Officer at Henry Ford Health System in Detroit, Michigan. I am a board-certified Emergency Medicine Physician, the Chair of the Gail and Lois Warden Endowment on Multicultural Health, and previously served as Michigan's—and the nation's—First State-level Surgeon General. For the last 4 years, I've served on the Advisory Group on Prevention, Health Promotion and Integrative and Public Health, appointed by President Obama, where we advise his cabinet regarding health promotion and prevention health policy. I am on the faculty of the University of Michigan Medical School's Department of Medical Education, adjunct professor in the University of Michigan's School of Public Health, and have focused my work on health disparities and health care equity, infant mortality and maternal and child health, chronic disease, physical activity, unhealthy eating habits, tobacco use and youth leadership development. I also serve on the Board of the Public Health Institute, a global nonprofit headquartered in California, which has been one of the nation's leading implementers of SNAP nutrition education.

Henry Ford Health System

Henry Ford Health System is one of the nation's leading comprehensive, integrated health systems that provides health insurance and health care delivery, including acute, specialty, primary and preventive care services backed by excellence in research and education. Founded in 1915 by auto pioneer Henry Ford, we are committed to improving the health and well-being of a diverse community and in 2011 we were recognized for our commitment to quality through the receipt of the prestigious Malcolm Baldrige National Quality Award. Henry Ford Health System is proud to implement a Supplemental Nutrition Assistance Program (SNAP) nutrition education program in the City of Detroit and Macomb County that works to improve the long term health and well-being of the SNAP-eligible families.

SNAP and SNAP-Ed Vital for Health

I am very pleased to have an opportunity to talk about the critical importance of SNAP and SNAP Nutrition Education (SNAP-Ed) for good health. As a physician, researcher/educator and public health leader, and as Michigan's former Surgeon General, I can attest that both SNAP and SNAP-Ed are a critical part of our Federal arsenal working to confront the twin threats of obesity and hunger that threaten the health and well-being of our nation.

Just as the health of the American people is vital to our economic and national security, good nutrition is fundamental for public health, educational achievement and work productivity. Food security is a fundamental social determinant critical to community resilience. Without question, SNAP is helping low-income families put healthy, nutritious food on the table during times of need.

For over 50 years, SNAP has served as the foundation of our nation's hunger safety net, helping to combat the impact of poverty and subsequent malnutrition. In the 21st century, the face of malnutrition looks very different than the extreme hunger that shocked so many Americans when the Food Stamp program was first established.

Today, SNAP recipients live in neighborhoods and communities where making healthy choices can be challenging, if not impossible, due to the lack of safe, well-equipped and well-maintained places to walk and play, and the absence of nearby full service grocery stores and other health services. Many of these communities are considered '*food swamps*' due to the inadequate access to supermarkets and reliance on convenience stores, as well as a higher concentration of fast-food outlets limiting food choices to high calorie low nutrient foods.

These factors contribute to the malnutrition that now co-exists with overweight and obesity. Comprehensive literature reviews examining neighborhood disparities in food access have found that neighborhood residents with better access to supermarkets and limited access to convenience stores tend to have healthier diets and a reduced risk for obesity (Larson, *et al.,* 2009; Bell, *et al.,* 2013). Low income communities and communities of color, including those in households eligible for SNAP,

are disproportionately affected by obesity and chronic disease resulting from limited access to the fundamentals of a healthy lifestyle-healthy food and safe places to be active.

The health-related costs attributable to food insecurity nationwide were estimated to be $160.07 billion in 2014 alone (Cook, *et al.,* 2016). At the same time the costs in health care, disability, workers' compensation, and economic losses from lost worker productivity are matched by the personal toll on individuals and their families.

For the first time in U.S. history, reported by the Centers for Disease Control and Prevention, our youngest generation is expected to have a shorter lifespan than their parents—a result of childhood obesity and chronic disease. Obesity is linked to increased risks for many serious and largely preventable diseases, including type 2 diabetes, heart disease, stroke, and some cancers. Nationally, the prevalence of diabetes among adults has nearly tripled over the past 30 years. Research has found that African American and Latino populations are disproportionately affected, with a lifetime risk of more than 50 percent compared to the general population's 40 percent.

While the face of malnutrition today is different than it was, the root causes and solutions remain the same and SNAP continues to be our nation's first line of defense to improve nutrition and well-being among low-income Americans. SNAP benefits provide an essential resource and are a powerful tool to help ensure that very-low-income Americans can afford a nutritionally adequate diet. Expanding the use of these types of Federal nutrition assistance programs and child nutrition programs such as school meals and the Supplemental Nutrition Program for Women, Infants and Children (WIC), is critical to help reduce high rates of food insecurity among the low-income population.

Let me be clear, SNAP participation does not lead individuals and families using the program to make poor choices or be overweight. Far from it. Research clearly shows that United States Department of Agriculture (USDA) Federal nutrition programs do not contribute to the current obesity crisis in the U.S. (Fan & Jin, 2015; Gleason, *et al.,* 2009; Hofferth & Curtin, 2005; Linz, *et al.,* 2004; ver Ploeg, 2009; ver Ploeg, *et al.,* 2008). Instead, SNAP participation is associated with better dietary quality among low-income adults who are food-insecure (Nguyen, *et al.,* 2015). More specifically, compared to similar low-income non-participants, SNAP participants with marginal, low, and very low food security have better overall dietary quality. In fact, by both improving dietary intake and reducing food insecurity, participation in the Federal nutrition programs plays a critical role in obesity prevention.

SNAP is effective in its mission to mitigate the effects of poverty on food insecurity and is further enhanced by SNAP-Ed, the nutrition education and obesity prevention arm of SNAP that works to ensure that low-income families will make healthy diet and physical activity choices within a limited budget.

SNAP-Ed is a critical piece of the equation working to improve nutrition and prevent or reduce diet-related disease and obesity among SNAP-eligible households. Throughout the United States, SNAP-Ed programs work to promote healthy behaviors and reach low-income families where they live, learn, work, play and pray. The program helps low-income families understand the importance of healthy choices and empowers parents and their children to make the healthy choice the easily accessible and affordable choice.

SNAP-Ed plays an active role in improving dietary and physical activity practices, while helping to increase community food security, prevent obesity and reduce the risk of chronic disease for low-income Americans. A study conducted in California in 2012 found that the greatest concentration of SNAP-Ed interventions was associated with adults and children eating more fruits and vegetables, and adults eating fast food less frequently. These findings demonstrate the potential impact of such interventions and how SNAP-Ed plays an important role in addressing both chronic disease and the obesity epidemic in the United States (Molitor, *et al.,* 2015).

SNAP-Ed: Generation With Promise

Henry Ford Health System's SNAP-Ed Program, funded through a grant from the Michigan Fitness Foundation, is called Generation with Promise (GWP) and is one example of 49 effective programs throughout the state of Michigan that are changing the culture of food and health. Now in its ninth year, GWP reaches youth and families in Detroit and Macomb County and provides nutrition education, physical activity promotion and youth leadership in elementary, middle, and high schools, alongside proven public health approaches that increase healthy behaviors. GWP also works with community and faith-based organizations, promoting healthy eating through cooking demonstrations and nutrition education.

Today, GWP serves 37,360 youth and adults in 2015, at schools, community organizations and faith-based sites with nearly 115,000 contacts. Due to GWP, 89.9% of adults reported an increase in their consumption of fruits or vegetables and 81.4% of youth reported an increase in their consumption of fruits or vegetables. All aspects of our program are evaluated to measure impact and outcomes. Overall, in 2014 and 2015, Michigan SNAP-Ed programs funded through the Michigan Fitness Foundation, including GWP, have shown an annual increase in fruit and vegetable consumption of 170,000 to 200,000 cups per day statewide, a health and economic driver!

We are proud of the breadth of interventions within our programs, from cooking classes taught by a chef and dietitian or nutrition educator classes that include a grocery store tour, to interventions that teach menu and meal planning and how to stretch food dollars on a low-income budget. Participants willingly learn about healthy and delicious food that is not expensive or difficult to make. The number one most common comment we hear at the end of the class series is that participants wish the class was longer!

Leveraging other funds and demonstrating the value of a true community partnership, Henry Ford Health System is also able to provide groceries to participants so that they replicate the recipes at home. Nearly all participants report that they made the recipe at home during the week. Participants have followed up with our team to share their great news including losing 50 pounds and keeping it off for 6 months after the program, cooking dinner with their middle-school aged children, and enrolling in classes related to culinary arts, dietetics or health.

SNAP-Ed is also making connections to healthy food systems and other resources in communities including gardening, cooking classes and farmers' markets. For example, GWP provided 60 recipe demonstrations, tastings, and nutrition education at ten Detroit Community Markets and other farmers' markets in low-income neighborhoods. Nearly all attendees said they were inspired to prepare new recipes. GWP has provided SNAP-Ed in grocery stores in partnership with Michigan Fitness Foundation and the Michigan Department of Health and Human Services, and with Double Up Food Bucks and the Fair Food Network using Michigan Harvest of the Month educational strategies and materials.

Through these community partnerships with local organizations, SNAP recipients can shop at the local farmers' markets and some grocery stores and receive twice as much of locally grown produce at an affordable price. This partnership also benefits local farmers, strengthening the local economy and providing farmers with new revenue streams and increased sales of specialty crops. SNAP-Ed is helping low-income families learn the importance and value agriculture and the sources of their food.

I cannot underscore enough the way in which SNAP-Ed is a versatile tool that can respond to the nutrition and health needs of low-income families in our state. Last October, as news of the public health water crisis in Flint emerged, the Michigan Fitness Foundation and SNAP-Ed partners were able to react quickly to adjust and augment their nutrition education focus to highlight foods and food safety practices that were lead protecting. Over the past months, Michigan Fitness Foundation and SNAP-Ed have been essential in continuing to connect increasing numbers of partners and programs to reach under-served neighborhoods and residents to support a foundation on which to build the Flint of the future.

Priority Recommendations

Improvements can be made and I would suggest the following recommendations to further strengthen and maximize the health and nutritional impact of SNAP and SNAP-Ed.

1. To better combat food insecurity and childhood hunger, income eligibility criteria should not exclude children whose families happen to live in high-cost states. USDA should index income criteria for food assistance program eligibility to local or regional cost of living, such as the Cost of Living Index or other recognized measure, rather than the nationally-applied Federal Poverty Level (FPL).
2. The Thrifty Food Plan, used as the fiscal base for SNAP, should be modified to increase the benefit value and accommodate the generally-higher prices of healthy food and regional variability in cost of living.
3. Remove restrictions that prevent retailers from offering Electronic Benefit Transfer (EBT) point of sale—and promotional prices for healthy foods such as fruits and vegetables, whole grains *etc.*
4. SNAP-Ed should be utilized to provide technical assistance and training to convenience store business owners and smaller retailers, combined with com-

mon sense stocking standards for SNAP that increase the availability of fresh foods in all four food categories. This would have the benefit of increasing the availability, accessibility and possibly lower the price of healthy food in many low-income communities. SNAP-Ed implementing agencies can be encouraged to work with the private sector and community partners to help small businesses and convenience stores identify and establish procurement systems that increase healthy food options for their customers.

5. Initiatives such as Double Up Food Bucks and Michigan Farm to Family in Michigan, Market Match in California, and other Food Insecurity Nutrition Incentive (FINI) grants across the county should be leveraged and replicated to increase healthy food purchasing by SNAP-eligible families and encourage the participation at more local and chain grocery stores.
6. Congress and USDA should provide startup grants and establish a public-private innovation fund that would support technical assistance networks that help states and localities implement, adapt and take to scale evidence based nutrition education interventions and strategies throughout the country. Topics and activities that could be part of such technical assistance networks could include: community food system assessments, Electronic Benefits Transfer (EBT) at farmers' markets, corner store conversion projects, community-supported agriculture, farm-to-fork sourcing, state or local food policy councils, agricultural preservation, small farm and new farmer programs, and community/school gardens. This low-cost network might be established using public and private grants or cooperative agreements with nonprofit public health, anti-hunger and food security organizations; the existing Cooperative Extension system; FNS programs; partnerships with other sectors like foundations, nonprofit health plans, insurers and hospitals; and sister Federal agencies like the Centers for Disease Control and Prevention (CDC), Department of Transportation, Department of Education, and Housing and Urban Development.

In closing, I want to underscore that both SNAP and SNAP-Ed are key in our fight to address the epidemic of obesity and overweight in children and adults that leads to largely preventable chronic diseases. These programs are critical in the effort to eliminate hunger and malnutrition, particularly in children, and can help improve overall ill health that perpetuates the cycle of poverty.

Across our country SNAP families are striving, working hard to make ends meet and put healthy food on the table, often in very challenging circumstances. These families are the solution finders. Many are the families of those serving in our armed forces here at home and overseas. With limited resources, SNAP-Ed is empowering these families with the tools necessary to make a healthy choice. SNAP-Ed is a small program but it has an impact and influence well beyond its size.

I welcome the opportunity to work with Congress and USDA to identify measures that can identify and remove obstacles limiting the reach, impact and effectiveness of the Federal nutrition programs, including SNAP-Ed, and to create sustainable healthy change in under-served communities.

Thank you for your time and consideration of my recommendations. I am happy to answer any questions.

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The CHAIRMAN. Thank you, Dr. Wisdom.

Ms. Foerster.

STATEMENT OF SUSAN B. FOERSTER, M.P.H., EMERITUS AND FOUNDING MEMBER, ASSOCIATION OF SNAP NUTRITION EDUCATION ADMINISTRATORS, CARMICHAEL, CA

Ms. FOERSTER. Good morning. Chairman Conaway, Ranking Member Peterson, Members of the Committee, thank you for the invitation.

My name is Susan Foerster, and I am here today representing the Association of SNAP Nutrition Education Administrators. We have members in all 50 states and territories, and our job is to administer the SNAP-Ed program in the organizations that we come from. My background is that I ran the largest SNAP-Ed program in California, and during that time we were able to see an increase in fruit and vegetable consumption among low-income adults, to the point that it reached the same level as higher-income and higher-education people. We don't know for sure if it was SNAP-Ed, but there was nothing else going on, so we think it was. In addition, we have some studies from California that show a dose response relationship. The more intervention, the better the dietary practices.

Today, I am talking with you in my capacity as the co-lead for evaluation with the ASNNA organization, and so I am going to be able to talk a little bit about the background of SNAP-Ed and the way it looks today, and the way we want to see it in the future.

In my 2 years in retirement, I have been able to work with the other states, across state lines, to address the issue of evaluation and outcomes. So I know you are interested in that, and we will go from there.

I am going to talk about the farm bill policies; how Federal policy has influenced the history of the program, what SNAP-Ed looks like now, what has been done administratively to be sure that the program is accountable for results and well-administered, and finally, where we are going in the future.

What we really have in SNAP-Ed are three generations. Nutrition education in the SNAP program was authorized in the Farm Bill of 1981. It was based on the EFNEP model which was direct education by paraprofessionals. By the middle 1990s, however, evaluations were being done, we had the *Dietary Guidelines* telling us that many more Americans were not eating well, and so the idea was that we needed a wider range of techniques. And so social marketing was introduced as a social innovation model, and that allowed us to use the same kind of techniques that the food industry was using to get people to eat healthy.

Then by 2010, when the Healthy Hunger-Free Kids Act was passed, many of the changes that we had wanted to see and had experienced in the field made the third generation of SNAP-Ed, and that was that our scope expanded to include physical activity

and obesity prevention, larger-scale approaches and community approaches. The funding changed so that there was a grant mechanism rather than Federal financial participation, and the program was capped based on the 2009 funding to 2018. So that is kind of where we are right now. There is a reallocation schedule in place that started in 2014, and will conclude in 2018 when the new farm bill comes up.

In terms of where we are right now, the size of our population that we are trying to influence is 90 million people that have incomes below 185 percent of poverty. Of that, about 40 million are already SNAP participants, and you can see that the scope of our effort is quite large.

We reach people through the places they go, the institutions that they use, and through mass communications. We work in highly targeted ways in Census tracks and institutions where the majority of people have incomes below 185 percent of poverty.

We work through all the state SNAP programs, and there are about 144 what we call state implementing agencies that actually administer the funds and usually put most of them out the door to other kinds of nonprofit and government agencies. They also pay for business processes such as mass media, printing, and so forth.

The reach of the program, we can only tell you really the tip of the iceberg, and that is in 2015, we know that we educated at least six million people, on whom we have demographic information, with direct education. We do not have numbers on those that were reached indirectly through community programs where we couldn't get the demographics on the people, but the services for direct education were in 50,000 low-income sites across the country. So six million people with direct education, 50,000 sites, 20 different kinds of channels, from worksites to churches, to parks and recreation, to shelters and so forth. What we don't have, as I said, is information about the number of people reached otherwise. We do have 28 states doing actual social marketing campaigns, and they reported reaching about 19 million more people that they know about. Of those people, about 65 percent that we know of were SNAP participants, 25 percent were school-age children, and a very small proportion were seniors.

So to just conclude, sorry I went on like that, SNAP is not as visible as we would like it to be because of the way that it is differently named. It is run usually through another organization or it has its own brand name. We do not call ourselves by the Federal name.

In conclusion, we are very excited to have put together a compendium of over 100 evidence-based interventions that are developed for physical activity and nutrition, and for different channels where we administer those programs that are available for everyone to use.

The CHAIRMAN. Ms.——

Ms. FOERSTER. Most recently, we have put together what is called——

The CHAIRMAN. Ms. Foerster, I am going to have to ask you to conclude. Thank you.

Ms. FOERSTER. Thank you.

[The prepared statement of Ms. Foerster follows:]

PREPARED STATEMENT OF SUSAN B. FOERSTER, M.P.H., EMERITUS AND FOUNDING MEMBER, ASSOCIATION OF SNAP NUTRITION EDUCATION ADMINISTRATORS, CARMICHAEL, CA

Good morning, Chairman Conaway, Ranking Member Peterson, Committee Members and fellow panelists. Thank you for the opportunity to think together about how SNAP-Ed, the nutrition education arm of SNAP, can be made even more effective in future years.

My remarks will be mostly from the perspective of a former state official who founded and directed the country's largest SNAP-Ed program. Through the California Department of Public Health, we had already used an NCI grant to establish the *California 5 a Day—for Better Health! Campaign,* the world's first public-private partnership with the nation's produce industry to increase fruit and vegetable consumption. Its purpose was to help prevent cancer and other diet-related chronic diseases. In the 1990s, the *5 A Day Program* was adopted for nationwide use NCI and CDC, as well as 25 other countries.

In FFY 96, we used this experience to win a USDA competition for planning grants that allowed us to establish the *Network for a Healthy California* in FFY 97. It was the country's first of what became 22 FSNE (Food Stamp Nutrition Education) social marketing nutrition 'networks'; nutrition education was an optional administrative activity that could qualify for Federal Financial Participation if non-Federal matching funds could be generated. In California, we used the FFP to develop, test and roll-out at least 20 different statewide and community interventions. Our program efforts coincided with an upward trend in reported fruit and vegetable consumption by low-income adults that, to the best of our knowledge, was unique among states.

In the 2 years since retirement, I have worked through the Association of SNAP Nutrition Administrators (ASNNA) to co-lead its evaluation and outcomes activities. As a former state leader, I want to help states realize the potential of SNAP-Ed. As the nation's largest, most flexible and dynamic community nutrition program, I believe that SNAP-Ed can be used to generate significant, unique and groundbreaking improvements that will help improve eating and physical activity environments, advance food security, reduce or eliminate diet-related disparities among low-income income Americans, while also benefitting many in the agriculture and food industry sectors.

Today I will address four questions:

- What farm bill policies have informed the direction and impact of SNAP-Ed?
- What is SNAP-Ed now, and why isn't more known about its impact?
- What has been done administratively to assure that SNAP-Ed serves low-income communities and is fully accountable?
- What new, cutting edge measures have been put in place to help states and their partners to be even more effective in the future, and to build out the scientific foundations that have been put in place over the last 20 years?

What farm bill policies have informed the direction and impact of SNAP-Ed?

SNAP, once known as the Food Stamp Purchase Program (1933), is the oldest of the major food assistance programs, while SNAP-Ed is the youngest of USDA's major nutrition service efforts.

Chronology of Federal Statutory and Administrative Landmarks in SNAP-Ed

1981	Food Stamp Nutrition Education (FSNE) was authorized in the farm bill as an optional administrative expense funded though state/local cost-share or 'match' that would qualify for an equal amount of Federal Financial Participation; it cited nutrition education using the EFNEP as peer education model established in 1969.
FFY 1992	Only seven states conducted FSNE (~$750K for the entire U.S.). As national concern about the impact of diet-related diseases on health grew; USDA commissioned a report on the effectiveness of nutrition education which called for theory-driven approaches and recommended using social marketing, akin to marketing that the food industry uses (*JNE* 1995).
FFY 1995–97	USDA funded 22 states with $100–$200K planning grants to establish *social marketing nutrition networks,* create state plans, and raise cost-share/match to support the state plans.
FFY 2004	All 50 states and D.C. conducted FSNE; funding totaled ~$280M in FFP.

Chronology of Federal Statutory and Administrative Landmarks in SNAP-Ed—Continued

2005–2010	OMB conducted sequential Program Assessment evaluations recommended establishing clearer missions and goals, strengthening strategic planning, developing standardized measures, and capturing program results.
2008	Farm Bill changed Food Stamps to Supplemental Nutrition Program (SNAP)
FFY 2010	USDA introduced the Education and Administrative Reporting System (EARS) for FFY 2010 to collect annual statistics on people reached, services provided, content, and materials used in state programs. Administrative system did not collect information on results or outcomes.
2010	In November, Congress used the 2010 *Healthy, Hunger-Free Kids Act* to establish SNAP-Ed as a new grant program in the farm bill, replacing the prior incentive-type model, primarily to redistribute funds among the states and relieve burden of obtaining and documenting match. New provisions added physical activity, obesity prevention, community and public health approaches to the SNAP-Ed charge; clarified that 185% FPL was the income eligibility level; required coordination with CDC; added 'evidence-based approaches' as a criterion. Capped funding until 2018 at 2009 baseline ($400M) without matching requirements, established SNAP State Agencies as managers of the annual grant process, reallocated funds among states over a 5 year period using a formula that redistributed funds in 10% increments according to the state's proportion of U.S. SNAP participation. By eliminating the state/local match, the overall investment would be reduced by ½.
FFY 2012	The state/local share requirement for states was dropped for FFY 2012.
2013	USDA issued an Interim SNAP-Ed Rule in the *Federal Register* and invited public comments.
FFY 2014	The first year of the 5 year reallocation formula was implemented; work on what became the *SNAP-Ed Evaluation Framework* and the *SNAP-Ed Strategies & Interventions: An Obesity Prevention Toolkit for States.*
FFY 2015	USDA's Annual *SNAP-Ed Guidance* for FFY 2016 fully implemented provisions in the 2010 *HHFKA.*
FFY 2016	Final Rule for SNAP-Ed was issued. USDA established the *SNAP-Ed Evaluation Framework* as its overarching, science-based to capture outcomes in 51 SNAP-Ed topics areas and completed a companion *Interpretive Guide to the SNAP-Ed Evaluation Framework* to help define consistent metrics that could be reported consistently by states. An expanded *SNAP-Ed Strategies & Interventions: An Obesity Prevention Toolkit for States* was released, and USDA's SNAP-Ed Connections website was revamped with an updated, searchable Resource Library that is intended to be a searchable inventory for 'all things SNAP-Ed' that is readily available to any user. USDA issued a Request for Quote solicitation to review the state reports, identify to what degree plans, reports and EARS align with the SNAP-Ed Evaluation Framework, and develop a standardized template for annual state reports to allow aggregation of state-level data.

What does SNAP-Ed look like today?

Size of the Eligible Low-income Population: Low-income in SNAP-Ed is defined as a household income below 185% of the Federal Poverty Level (FPL) because they would be eligible for other means tested Federal programs such as WIC, Free and Reduced Price school meals (FRPM), and many public health programs. Among low-income Americans, the 90 million people includes about 40 million who participate in SNAP because their incomes fall below 130%.

How low-income people are reached: People are not means tested by SNAP-Ed but rather served because the community they live in, an institution they use, or a geographic area that they frequent has a majority of the population with incomes below 185% FPL. For example, SNAP-Ed programs may work only with grocery stores in low-resource Census tracts or with monthly SNAP receipts exceeding $50,000. Similarly, SNAP-Ed may work only with schools or districts where over 50% of the students qualify for Free/Reduced-Price Meals (FRPM) or in worksites, faith organizations, park districts, housing, shelters, and other community sites where over 50% of the people have incomes <185% FPL. Since SNAP-Ed work products are public use, other organizations may use them freely.

Number and Diversity of SNAP-Ed Implementing Agencies: All 54 states, the District of Columbia, the Virgin Islands, and Guam receive SNAP-Ed grants

that flow through the SNAP State Agency to one or more State Implementing Agencies (SIAs). The 144 SIAs that deliver SNAP-Ed themselves are diverse and bring a variety of strengths to SNAP-Ed; they include Land-Grant University Extension services, other universities, public health departments, nonprofits, Indian Tribal Organizations, and some SNAP agencies. In turn, most SIA funds flow to other public, nonprofit and business entities that provide statewide or local services. The state grants have no matching requirements, and states make decisions about funding priorities for service based on needs assessments, partner readiness and the skills of each SIA. A detailed state plan is approved annually by USDA's Food and Nutrition Service (FNS).

Reach of SNAP-Ed: In 2015 the 144 SIAs collectively provided direct education services to over six million low-income people in 20 different community channels with nearly 50,000 low-resource community locations. *Channels* are organizations or systems such as schools and school districts, child care centers, food banks and emergency food sites, community youth organizations, public housing, churches, health centers, park and recreation sites, food stores, and community gardens where food and physical activity decisions can be influenced. Of the 144 SIAs, 28 reported also conducting larger-scale social marketing initiatives that reached over 19 million people.

Of the people receiving direct education, about 65% were SNAP participants, 25% were school-aged children, and .05% were elders. There are no estimates of the number of people reached though policy, systems or environmental approaches, or on outcomes. More detail on that will be provided below.

Why is SNAP-Ed not more visible, like other nutrition programs?

SNAP-Ed has the largest scope and most diverse mission among USDA's community nutrition programs, but for a variety of reasons SNAP-Ed activities may not be readily identified.

Names of SNAP-Ed Programs: Like many other Federal programs, many SNAP-Ed programs have established a specific branded identity and do not use the Federal categorical designation. Other times, SNAP-Ed funds are used to help organizations or campaigns augment their services to better reach SNAP-Ed audiences, so the SNAP-Ed targeted activities may not be identified as such. For all entities, SNAP-Ed rules must be followed and mandatory reports completed.

The term, *nutrition education*, includes more than direct education: The term, 'nutrition education' was added to Food Stamp language in 1981 and has not been updated. As science and practice have matured, the term 'nutrition education' had to be reinterpreted to achieve the needed population outcomes. In SNAP-Ed, nutrition education means '***any combination of educational strategies, accompanied by environmental supports, designed to facilitate the voluntary adoption of food and physical activity practices . . . conducive to the health and well-being of . . . SNAP participants, individuals eligible to participate, others eligible . . . for other means-tested Federal assistance, and individuals residing in communities with significant low-income populations.***'

SNAP-Ed requires a broad science-base, which adds to its complexity: To address the many social determinants that are known to impact healthy eating (including food security and food access), physical activity, and obesity prevention, today's nutrition education approaches use a widely accepted theory, the Social Ecological Model (SEM). This approach often involves working with partner organizations behind the scenes. The SEM helps planners systematically focus on four *spheres of influence* that support healthy behavior change in populations. The four spheres are: individuals and peer groups, institutions that impact low-income people, multi-sector community efforts, and larger scale social norms. Activities in these spheres may appear fragmented, but they are designed to create synergy and drive toward similar outcomes. The SEM is recommended by many authoritative bodies, including the National Academy of Sciences and the *Dietary Guidelines for Americans.*

What has been done administratively to assure that SNAP-Ed serves low-income communities and is fully accountable?

Similar to SNAP itself, SNAP-Ed is highly structured. USDA oversight of SNAP-Ed is guided by statute, namely the 2010 Healthy, Hunger-Free Kids Act, and implemented through:

- Final **Regulations** issued in 2016.
- Annual SNAP-Ed ***Guidance*** that governs targeting, activities, allowable expenditures.

- The seven FNS Regional Offices review and approve **annual state plans and budgets,** including SMART objectives, and most **mid-year amendments.**
- Mandatory process evaluation measures through the **Education and Administrative Reporting System (EARS).**
- **Annual Reports** that report on specific progress toward achieving each state's annual SMART objectives; development of new programs and materials; evaluation activities, reports, and publications; and expenditures.
- Regular on-site **Management Evaluations (ME)** with a formal process when corrective action is required.

Program Requirements: The experience and know-how accrued over the last 20 years is well-codified in SNAP-Ed *Guidance.* In SNAP-Ed, states are asked to select a set of complementary educational, social marketing and environmental support approaches that will work together to achieve population and community outcomes. Each state is now required to deliver community and public health approaches in addition to direct education.

Social marketing is defined as using commercial marketing techniques to influence voluntary behavior for personal welfare and that of society. Techniques based on formative research and market segmentation may include: advertising, PR, promotion, multiple forms of mass communication, and education that is synchronized across different organizational channels such as worksites, retail stores, and civic organizations.

Community and Public Health Approaches. These may include techniques such as consumer empowerment, community development, public-private partnerships, and policy, systems and environmental change (PSE). In SNAP-Ed the definitions are:

- **Policy change:** In the public, nonprofit or business sectors, policies are written organizational decisions or courses of action, resources, implementation, evaluation and enforcement. In accord with Federal law, SNAP-Ed may provide information to elected officials but may not lobby for any bill, ordinance, or funding level.
- **Systems Change:** These are unwritten organizational decisions about services, locations, staffing and budgets that can reach large numbers of low-income people.
- **Environmental Change:** These are changes in the physical, visual, economic, social, normative or message environments that can positively influence eating and physical activity behaviors.

The well-respected RE–AIM model may be used by states to help decide what interventions to sponsor. Choices may be based on a structured needs assessment that includes the probability of reaching large numbers of people, the availability of effective interventions, the likelihood of adoption and implementation of those interventions by partnering organizations, and the probability that the effort will be maintained in the future without SNAP-Ed resources.

What new, cutting edge measures have been put in place to help states and their partners to be even more effective in the future, and to build out the scientific foundations that have been put in place over the last 20 years?

As shown in the *Chronology,* many evaluation efforts by SNAP-Ed stakeholders have culminated in 2016. A cutting-edge set of intervention and evaluation resources has been compiled to help the very diverse community of SNAP-Ed agencies deliver strong, evidence-based interventions, map their progress, and report the results. This has been done as a partnership among USDA, SIAs, the Centers for Disease Control and Prevention, and the National Collaborative on Childhood Obesity Research. Most notably, these include:

- *The SNAP-Ed Evaluation Framework,* a breakthrough approach to large-scale, long-term outcome evaluation. It is designed as a 'menu' from which states can select, according to their priorities, and an overarching, aspirational and science-based scheme for the country. It is intended to capture key outcomes in 51 different areas that lead to community and population improvement.
- *Interpretive Guide to the SNAP-Ed Evaluation Framework,* a companion how-to document that suggests standard metrics, instruments and data sources for the 51 Indicators in the *Framework* so that results can be aggregated across the country. It was compiled and reviewed by 40 contributors from 28 different states. As experience is gained with the measures and instruments, it will provide the basis for standardized reporting and aggregated data.

- *Practitioner* Stories that outline how nine early adopting states are using the *Framework* and *Interpretive Guide.*
- *SNAP-Ed Strategies & Interventions: An Obesity Prevention Toolkit for States* that links to almost 100 evidence-based interventions, the great majority of which were developed through SNAP-Ed funding. This *Toolkit* reflects a brand new science base for large-scale interventions—especially those using social marketing and policy, systems and environmental change approaches—that is customized to low-resource settings and diverse populations. It will soon be posted as a searchable electronic format. It provides a resource that any like-minded organization to use. No such resource has ever been available.
- USDA's SNAP-Ed Connections website now has an updated Resource Library that can be populated by SNAP-Ed partners and others to house survey and evaluation instruments, intervention materials, reports and published papers. It is searchable by population group, community channel, intervention goal, date, state, type of material, method and many other characteristics. It will help bring new SNAP-Ed partners up to speed and allow mature programs to extend their impact in new intervention areas and with new partners more quickly.

What evidence is there that these efforts will be successful?

These evaluation breakthroughs have been done well. Strong groundwork was laid for rapid uptake of these new approaches because states were involved from the beginning. We contributed in soliciting and reviewing interventions to select the very best, choosing the most important and feasible outcomes, and selecting evaluation metrics that will be practical for local, state and national stakeholders. In FFY 14, the nine states and territories in the Western Region reported over 900 PSE changes in just 1 year.

State plans for FFY 17 are due soon. But one example is that one Midwestern state that was not involved in the Framework has already adopted it by challenging itself to secure 50 PSE changes in FFY 16, namely:

- Starting a local food policy council or health coalition (4).
- Community gardens (4).
- New pantry locations (3).
- Food donation systems (5).
- Food insecurity screening (3).
- Increasing number of food vendors at farmers' markets who accept SNAP (10).
- Establishing school wellness committees (6).
- School wellness policy reviews and updates (4).
- Increasing park and trail use in communities (3).
- Healthy checkout lanes (3).
- Shared use policies to increase physical activity options (1).
- Healthy vending machines at workplaces (4).

ASNNA is aware that these efforts are aggressive and very new for the entire field of nutrition. Similar to other reporting systems, we expect that the devil will be in the details. However, we recognize that the collective impact approach that SNAP-Ed is undertaking is the only way that the significant population and community changes that SNAP-Ed aims for can be achieved.

We are committed to continuing our collaboration with USDA and other organizations. In our work plan for this year are projects that will convey the vision and encourage wide use of the materials, continually upgrade the models based on real world with experience, help populate the new SN[A]P-Ed Library as a practical resource, identify or develop common data sources, and provide training and peer support to sister agencies

We are committed to remaining visionary, open, transparent, accountable and well-grounded so that these funds are spent to achieve maximum impact.

Thank you for this opportunity and for your support of SNAP and SNAP-Ed.

SNAP-Ed Evaluation Framework

Nutrition, Physical Activity, and Obesity Prevention Indicators

April 2016.

SNAP-Ed State Implementing Agencies, 2015

State/ Territory	State Implementing Agencies Reporting in EARS, 2015 (N=144)
AK	Alabama Nutrition Education Program
AL	University of Alaska Fairbanks
AR	University of Arkansas, University of Arkansas at Pine Bluff
AZ	Arizona Department of Health Services
CA	California Dept. of Public Health, University of California Davis, Catholic Charities of California, California Department of Aging, California Dept. of Social Services
CO	N/A
CT	Connecticut Department of Public Health, University of Connecticut, University of Connecticut College of Agriculture, University of Connecticut Health Center, University of Connecticut Neag School of Education, Hispanic Health Council, Inc
DC	Department of Health
DE	University of Delaware
FL	University of Florida
GA	Health M Powers, University of Georgia, Georgia Coalition for Physical Activity and Nutrition
GU	N/A
HI	Hawaii Department of Health, University of Hawaii at Mānoa
IA	Iowa Department of Public Health, Iowa State University
ID	University of Idaho, Boise Center
IL	Chicago Partnership for Health Promotion, University of Illinois
IN	Purdue University
KS	Kansas State University
KY	University of Kentucky
LA	Louisiana State University Agricultural Center, Southern University Agriculture Center
MA	University of Massachusetts, Share Our Strength/Cooking Matters MA, Lutheran Social Services of New England, Inc., Kit Clark Senior Services
MD	University of Maryland
ME	University of New England
MI	Michigan Nutrition Network at Michigan Fitness Foundation, Michigan State University
MN	University of Minnesota Extension Service, Minnesota Chippewa Tribe
MO	University of Missouri
MS	Mississippi State University
MT	Montana State University Extension
NC	North Carolina Cooperative Extension—Surry Center, Durham County Health Department, Alice Aycock Poe Center for Health Education, The University of North Carolina at Greensboro, North Carolina State University, University of North Carolina at Chapel Hill, NC Agricultural and Technical State University, East Carolina University MATCH
ND	North Dakota State University Extension Service
NE	University of Nebraska

SNAP-Ed State Implementing Agencies, 2015—Continued

State/ Territory	State Implementing Agencies Reporting in EARS, 2015 (N=144)
NH	University of New Hampshire Cooperative Extension Merrimack County
NJ	Rutgers, The State University of New Jersey
NM	New Mexico State University Cooperative Extension Service, Cooking with Kids, Kids Cook!, Las Cruces Public Schools, University of New Mexico Prevention Research Ctr., Institute of American Indian Arts
NV	Help of Southern Nevada—Baby First Services, Yerington Paiute Tribe, University of Nevada Cooperative Extension, Food Bank of Northern Nevada, Step 2, Te-Moak Tribe of Western Shoshone, Three Square
NY	Cornell Univ. Cooperative Extension Oneida County, New York State (NYS) Department of Health, Cornell Cooperative Extension of Erie County, Food Bank For New York City, Cornell Univ. Cooperative Extension Orange County, City Harvest, Inc., Cornell Cooperative Extension of Onondaga County, The Children's Aid Society, Cornell Univ. Co-op. Extension of Suffolk County, Common Pantry, Cornell Cooperative Extension of Albany County
OH	Ohio State University
OK	Chickasaw Nation, Oklahoma State University
OR	Oregon State University
PA	Pennsylvania State University
RI	University of Rhode Island
SC	South Carolina Department of Health and Environmental Control, Clemson University, South Carolina Department of Social Services, Low Country Food Bank
SD	South Dakota State University
TN	Tennessee State University, University of Tennessee
TX	East Texas Food Bank, East Texas Food Bank, South East Texas Food Bank, Texas A&M Cooperative Extension, Houston Food Bank, North Texas Food Bank, Tarrant Area Food Bank, South Plains Food Bank, Food Bank of Corpus Christi, Food Bank of Rio Grande Valley, San Antonio Food Bank, Capital Area Food Bank of Texas, ActiveLife Movement
UT	Utah State University Cooperative Extension
VA	Virginia Tech University
VI	N/A
VT	Vermont Department of Health
WA	Washington State University, Washington State Department of Health
WI	University of Wisconsin—Extension, Great Lakes Inter-Tribal Council, Ho-Chunk Nation Health Center, Milwaukee Health Services Inc., City of Milwaukee Health Department, Northwest Wisconsin Community Services, Inc., Chippewa County Department of Public Health, Bayfield County Health Department, Polk County Health Department, Outagamie Health and Human Services Public Health, Oneida County Health Department, Kewaunee County Health Department, Family Plan Health Services, Kenosha County Dept. of Human Svs., La Crosse County Health Dept, Portage County Comm. Human Service, Juneau County Health Dept, West Allis Health Dept, Jefferson County Health Department, Wood County Health Department, Vernon County Health Dept., Sauk County Dept. of Health, Waupaca County Dept. Human Servs., Hunger Task Force of Milwaukee
WV	West Virginia University
WY	University of Wyoming Cooperative Extension Service

SIAs, by state 2015 EARS 6–20–16.

The CHAIRMAN. Dr. Sharma.

STATEMENT OF SHREELA V. SHARMA, PH.D., R.D., L.D., ASSOCIATE PROFESSOR, DIVISION OF EPIDEMIOLOGY, HUMAN GENETICS AND ENVIRONMENTAL SCIENCES, UNIVERSITY OF TEXAS; CO-FOUNDER, BRIGHTER BITES, HOUSTON, TX

Dr. SHARMA. Chairman Conaway, Ranking Member Peterson, and Members of the Committee, good morning, and thank you for the opportunity to testify at today's hearing on SNAP-Ed.

My name is Dr. Shreela Sharma. I am a Professor of Epidemiology at the University of Texas, School of Public Health, and Co-Founder of Brighter Bites nonprofit organization, and I have spent the last 10 years contributing to childhood obesity prevention and control program efforts in Texas.

In 2012, I was approached by Lisa Helfman, a mom and an attorney, who had an idea to help solve the lack of access to fresh produce that exists in under-served neighborhoods. Back in 2011,

Lisa was participating in a food co-op where she received a box of fruits and vegetables every week, and over time, she watched her children's eating habits change. She describes this moment when she was with her 5 year old son at a birthday party, and he called her over to ask if he had to eat the cake. He said it was too sweet and he would rather have fruit instead. At that moment, she wondered if she could replicate the same behavior change that she saw in her young son in under-served neighborhoods. And today, I am here to tell you that you can, and we did.

Together, we built a program called Brighter Bites. Our three-part formula is simple: first, produce distribution where each family gets 30 pounds of fresh produce; second, nutrition education in school and for parents; and third, a fun food experience where families try a healthy, tasty recipe, all done each week for 16 weeks during the school year and 8 weeks during the summer, in low-income communities. Our parents try kale smoothies with their child, and receive the recipe and the ingredients to make it at home. And parents are volunteering at our co-ops and engaging in our communities of health. As one of our parents said, Brighter Bites made me cook things I wouldn't have bought, for fear of wasting money if my children didn't like it.

In 2012, we started with one elementary school in Houston, Texas, and thanks to funding from the USDA SNAP-Ed program, as of 2016 we have expanded this same formula in Houston, Dallas, and Austin, and distributed more than 8 million pounds of produce to over 20,000 low-income children and their families, across more than 90 schools, Head Start centers, YMCAs, and community centers in these three cities.

As a behavioral epidemiologist, I have focused on building a strong research and data infrastructure for Brighter Bites, and our results are compelling. We know that 98 percent of the families participating in Brighter Bites are eating more produce during the program, and what is more compelling is that 74 percent are maintaining the same levels by buying it on their own, even after the Brighter Bites season ends.

Recently, we completed a 2 year study among 760 first grade children and their parents, and results showed that both children and their parents receiving Brighter Bites had a significant increase in intake of fruits and vegetables as compared to those who did not receive the program. Moreover, Brighter Bites parents reported a twofold increase in cooking at home, using nutrition facts labels to make purchasing decisions, eating more meals together as a family, and having more fruits and vegetables available at home during meals, as compared to those who did not receive the program.

So you might wonder how we have grown such a transformative program so quickly and so effectively. Brighter Bites is leveraging the support of corporations like H–E–B, Sysco Foods, and the Produce Marketing Association. Sysco is collecting produce that would otherwise be discarded, directly from farmers across the country, and then sending it to local food banks who are aggregating the food from Sysco and other sources and distributing it to our Brighter Bites locations. Brighter Bites also has a partnership with Feeding Texas to develop a statewide model for nutrition edu-

cation, and with the UT School of Public Health on developing the education and research framework for the program. These collaborations allow us to conquer the last mile of delivering the produce directly to our families, while teaching them how to use it. We plan to continue to use SNAP-Ed funding, couple it with corporate and private sponsors and expertise to expand Brighter Bites programming and research. We have the ability to spread Brighter Bites throughout the country to build demand for fresh produce, empower people to achieve a better health, and tackle food waste all at the same time. Our metrics show that this approach can work.

Thank you for the opportunity to present, and I look forward to your questions.

[The prepared statement of Dr. Sharma follows:]

PREPARED STATEMENT OF SHREELA V. SHARMA, PH.D., R.D., L.D., ASSOCIATE PROFESSOR, DIVISION OF EPIDEMIOLOGY, HUMAN GENETICS AND ENVIRONMENTAL SCIENCES, UNIVERSITY OF TEXAS; CO-FOUNDER, BRIGHTER BITES, HOUSTON, TX

Chairman Conaway, Ranking Member Peterson, Members of the Committee, good morning. And thank you for the opportunity to testify at today's hearing on SNAP-Ed. My name is Dr. Shreela Sharma. I am a Professor of Epidemiology at the University of Texas School of Public Health, and the Co-Founder of Brighter Bites nonprofit organization and I have spent the last 10 years contributing to childhood obesity prevention and control program efforts in Texas.

Over the past 30 years, obesity in children has doubled in the United States with 34% of 6 to 11 year olds being overweight or obese, and quadrupled among adolescents.[1] Most children in the United States do not meet the recommended intakes of healthy foods including fruits and vegetables, putting them at risk for chronic diseases including obesity in childhood and adulthood. Recent reports from the Centers for Disease Control and Prevention (CDC) using data from 2003–2010, indicate a 12% per year increase in intake of fruit among children ages 6 to 11 years, and among those from low-income families; however, there were no increases in intake of vegetables or whole grain foods.[2] About 60% of children consume fewer fruits than recommended, and 93% of children consume fewer vegetables than recommended. In Texas, child consumption rates of fruits and vegetables is among the lowest as compared to other states with over 50% of the children consuming fruits and vegetables less than once per day.[3]

In 2012 I was approached by Lisa Helfman, a mom and an attorney, who had an idea to help solve the lack of access to fresh produce that exists in under-served neighborhoods, where childhood obesity rates are high and health problems are an epidemic. Back in 2011, Lisa was participating in a produce co-op where she received a box of fruits and vegetables every week, and over time she watched her children's eating habits change as a result of this consistent access to fresh produce. She described this moment when she was with her 5 year old son at a birthday party and he called her over to ask if he had to eat the cake. He said it was too sweet and he would rather have fruit instead. At that moment, she thought she may be on to something and wondered if she could replicate the same behavior change that she saw in her young son in under-served neighborhoods. And today, 5 years later, I am here to tell you that you can and we did.

Together we built a program called Brighter Bites with the purpose of providing fresh fruits and vegetables combined with hands-on nutrition education in schools and to families in under-served neighborhoods and food desert areas. Our formula is simple. Produce Distribution (50–60 servings per family per week) + Nutrition Education in school and for parents + Fun Food Experience consisting of a healthy recipe tasting, all done on a consistent basis for 16 weeks during the school year

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[1] Ogden C.L., Carroll M.D., Kit B.K., Flegal K.M. *Prevalence of childhood and adult obesity in the United States, 2011–2012.* JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION 2014; 311(8): 806–814.

[2] Centers for Disease Control and Prevention. MORBIDITY AND MORTALITY WEEKLY REPORT. *Vital Signs: Fruit and Vegetable Intake Among Children—United States, 2003–2010,* 2014; 63(31); 671–676.

[3] Centers for Disease Control and Prevention. *State Indicator Report on Fruits and Vegetables,* 2013. Available at *http://www.cdc.gov/nutrition/downloads/state-indicator-report-fruits-vegetables-2013.pdf.*

and 8 weeks during the summer. The program uses a food co-op model to engage parents and families where they participate in the bagging and distribution of the produce at the schools.

In 2012, we implemented the formula with 150 kids at one Knowledge is Power Program (KIPP) charter elementary school in Houston, Texas that was 93% low-income. We distributed 50 servings (~30 lbs) of 8–12 different produce items a week, trained the school to teach CATCH, a Texas Education Agency-approved evidence-based coordinated school health program, in the classroom and provided corresponding nutrition education and recipes to parents.[4] When the parents came to pick up their children from school, each family received two bags of beautiful, fresh produce at no cost and a fun food experience—they tasted a sample of the recipe of the week made from a hard-to-use item in the bag. Parents tried kale smoothies with their child and received the recipe and the ingredients to make it at home! Parents also received two nutrition handbooks consisting of information on food preparation, food storage, how to use nutrition facts labels to make food purchases, MyPlate, easy menu planning and recipe ideas, and other tips and tools on how to enhance the home nutrition environment. Children who had never eaten an orange were now chasing us for kale smoothies! And parents were volunteering at our co-ops and engaging in our communities of health.

Thanks to the funding of the USDA SNAP-Ed program, as of 2016, we have expanded this same formula in Houston, Dallas and Austin and distributed more than 8 million pounds of produce to over 20,000 low-income children and their families across more than 90 schools, Head Starts, YMCAs and community centers in these three cities.

Brighter Bites is giving parents living on a limited income, who have traditionally been afraid of buying fruits and vegetables because they either don't know how to prepare it or can't manage the financial risk that their children won't eat it, a "risk free trial" to practice cooking and eating healthy foods with their children. And our research shows that these trials are creating lasting behavior change.

As a behavioral epidemiologist and registered dietitian, I have focused on building a strong research and data infrastructure for Brighter Bites. We have collected data consistently for the last 4 years on program effectiveness, dosage, reach and fidelity on all our families. Data collection happens several ways. Each week Brighter Bites coordinators complete surveys to provide data on produce distribution (what was distributed and how much), and education implementation at each site. Attendance rosters provide data on weekly produce pick up by each family; parents complete surveys two times a year on acceptability, usage and effectiveness of Brighter Bites program components; and cost of providing produce per family per week is obtained from the food banks who aggregate and deliver the produce to the Brighter Bites sites. We have a centralized database that aggregates data from all three cities (Houston, Dallas, and Austin) on an ongoing basis. Qualitative and quantitative data in the form of focus groups with the parents and systems-level surveys with the food banks, and schools further informs program development and evaluation.

These data points have not only informed our program, but also helped further the scientific dialogue to understand how our children and families eat. Our results are compelling. We know that 98% of the families participating in Brighter Bites are eating more produce during the program, and what's more compelling is that 74% are maintaining the same levels by buying it on their own even after the Brighter Bites season ends. Also, 93% of the families reported that they ate all or more of the vegetables, and 96% said they ate all or most of the fruit that was provided to them through Brighter Bites. Brighter Bites families also reported saving on average $34.40 on their weekly grocery bill while in the program. And, parent engagement is high with between four to ten parents volunteering each week in the Brighter Bites co-ops at schools to assist with the bagging and distribution of the produce.

Recently we completed a 2 year rigorous study among 760 first grade children and their parents in 2013–2015.[5] At baseline, 42% of the first grade children ages 5 to 7 in our study were overweight or obese, which is higher than the national average for this age, and they were consuming only one serving of fruit and 0.5 servings of vegetables per day. Results of our study showed that both, children and their par-

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[4] Sharma S.V., Markham C., Helfman, L., Albus K., Pomeroy M., Chuang R.J. *Feasibility and acceptability of Brighter Bites: A food co-op in schools to increase access, continuity and education of fruits and vegetables among low-income populations.* JOURNAL OF PRIMARY PREVENTION. 2015, Volume 36, Issue 4, pp. 281–286.

[5] Sharma S.V., Markham C., Chow J., Ranjit N., Pomeroy M., Raber M. *Evaluating a school-based fruit and vegetable co-op in low-income children: a quasi-experimental study.* Under review.

ents receiving Brighter Bites had a significant increase in the intake of fruits and vegetables and reported consuming fewer calories from added sugars as compared to those who did not receive the program. Moreover, we saw promising improvements in the home environment. Brighter Bites parents reported a two-fold increase in cooking at home, using nutrition facts labels to make purchasing decisions, eating more meals together as a family, and having more fruits and vegetables available at home during meals as compared to those who did not receive the program.

You might wonder how we have grown such a transformative program so quickly and so effectively?

Brighter Bites is leveraging the support of corporations like H–E–B Grocery Company and Sysco Foods. Sysco, with 9,000 trucks running daily, is collecting produce that would otherwise be discarded directly from farmers across the country and then sending it to local food banks. We are partnering with the local food banks in Houston, Dallas and Austin who are aggregating the food from Sysco and other sources, and then distributing it to our Brighter Bites locations. We are also collaborating with the Produce Marketing Association, which is committed to advancing kids' consumption of fruits and vegetables. Our cooperation with such industry experts aims to determine how to tackle food waste by finding more produce that might otherwise be tilled under or go uneaten. Brighter Bites also has a partnership with Feeding Texas, a statewide association representing 21 Texas food banks, in efforts to develop a statewide model for nutrition education. Finally, Brighter Bites has a strong academic partnership with the Michael and Susan Dell Center for Healthy Living at the University of Texas School of Public Health, an internationally-recognized leading research center in child health, and the CATCH Global Foundation to further the educational, evaluation, metrics and scientific rigor of the program. Through these partnerships, we are able to conquer the last mile of delivering the produce directly and consistently to our under-served families while teaching them how to use it. And, we are creating opportunities for the children to practice these healthy behaviors while at school. We are also successfully linking the school and the home—the two environments where children spend a majority of their time. Thus, we are creating communities of health through fresh food, and we look forward to bringing this impact to more cities across the country.

In summary we have found the results of our program effectively address multiple key concerns related to promoting healthy eating behaviors, and our food chain including:

- educating children and their parents, how to eat healthier, in school and at home,
- tracking the impact of the program with regards to health, shopping/eating habits, and parent participation in schools,
- addressing the last mile by actually delivering a substantial amount of fresh, healthy food to underprivileged children to take home and practice healthy eating,
- taking advantage of partnering with private corporations and nonprofit food banks for distribution, and
- addressing food waste by working with farmers to utilize overgrown crops.

I would like to end with a couple of quotes from our Brighter Bites parents who said the following in one of our focus groups:

> *"Brighter Bites made me cook things I wouldn't have bought for fear of wasting money if my children didn't like it."*
>
> *"Brighter Bites is a huge support for my budget as it helps me save around $140 a month. Although the cost of fruits and vegetables [in grocery stores] is high, as a single mother it is hard but I try to maintain a healthy diet based on what Brighter Bites has taught me."*

We plan to continue to use SNAP-Ed funding, couple it with corporate and private sponsors with both expertise and dollars, to expand Brighter Bites and our research to push the dialogue forward on how to healthfully feed our families. We have the ability to spread Brighter Bites throughout the country to build demand for fresh produce, empower people to achieve better health and tackle food waste all at the same time. Our metrics show that this approach can work. Thank you for the opportunity to present and I look forward to your questions.

The CHAIRMAN. Thank you, Dr. Sharma.

Dr. Rankin.

STATEMENT OF JO BRITT-RANKIN, PH.D., ASSOCIATE DEAN/ PROGRAM DIRECTOR, HUMAN ENVIRONMENTAL SCIENCES EXTENSION, UNIVERSITY OF MISSOURI, COLUMBIA, MO; ON BEHALF OF EXTENSION COMMITTEE ON ORGANIZATION AND POLICY

Dr. BRITT-RANKIN. Good morning. Mr. Chairman, Ranking Member Peterson, and Members of the Committee, it is an honor to be invited to be here to share more about SNAP-Ed in land-grant universities.

I have spent my career at the University of Missouri, and for 18 years have worked with both SNAP-Ed and EFNEP, and I can tell you that there is no better job out there.

Land-grant institutions have a rich history with SNAP-Ed. Beginning in 1988, the first SNAP-Ed program was delivered by the University of Wisconsin Extension. By 1992, seven land-grant institutions via extension delivered SNAP education, and it grew to over 49 states and territories by 2002. As many as 55 land-grant institutions have provided SNAP-Ed in any given year. That includes both 1890 and 1862 institutions.

Land-grant universities, via cooperative extension, are uniquely positioned to deliver SNAP education. We are primarily an educational serving institution. We have the ability to translate the research that is conducted into educational programs. We conduct program evaluation that informs future research. Our annual community needs assessment also reaches out and understands what are the needs of the constituencies that we serve.

Currently, there are over 3,600 faculty and staff members that work with extension SNAP-Ed programs nationally. We have moved from a paraprofessional model, as Ms. Foerster mentioned, in the early years, to more of a professional model. Many of our professionals hold Master's, Bachelor's, and Ph.D. degrees. They are registered or licensed within the nutrition and physical activity communities.

As is the case, our educators are located in communities often where they live and work. They understand the needs of the individuals that they serve. They are also there to receive the feedback and the evaluation throughout that community. I can tell you that our educators across the country receive feedback every day because they are there, seeing where people are purchasing their food, where they are eating, where they are participating in physical activity.

As stated in opening comments, the goal of SNAP-Ed is for participants to make healthy food choices, stretch their food dollars, and have active lifestyles. We feel that the impacts that are seen in extension SNAP-Ed programs are doing that. We know that we see people increasing the variety of fruits and vegetables that they consume, increasing the quantities of fruits and vegetables. They are increasing their water consumption, decreasing sugar-sweetened beverages, and consuming more low-fat and no-fat dairy products. An example that we saw in Idaho with their Eat Smart Idaho Program, there was an over 50 percent increase in both fruit and vegetable consumption. In addition, 47 percent of the participants increased their physical activity levels.

In 2015, SNAP-Ed began to encourage policy, system, and environmental interventions. These interventions may include, and this is a very limited list, edible gardens, farm-to-institution procurement, and smarter lunchroom approaches. We know that all of these approaches will increase food access and food security in SNAP participants.

Gardening is probably one of the strategies that is most widely utilized. It reinforces direct education that we see in classrooms. We know that it improves dietary quality. We see increased food access and a reduction in food insecurity among SNAP recipients. I believe the strongest piece I would say is SNAP-Ed, we know that SNAP recipients are only on SNAP for a limited amount of time. We need to make their behavior changes sustainable.

I would leave you with one we-can-see impact throughout the country. We see that we are helping schools make policy changes, increasing physical activity, increasing healthier options in the schools. My time is limited, but I will leave you with one impact that demonstrates the impact that land-grants can have. In Missouri, we had an educator in 2014 that taught a fifth-grade class. Eight weeks each time, they received a nutrition lesson, and as their physical activity, they jumped rope. One young lady, fifth-grader, overweight, very self-conscious, she excused herself each time that it was time to jump rope. At the end, every child, including this young lady, was presented a jump rope. In the fall of 2014 the educator returned to the same school, and she is walking down the hall and a young lady runs up and she goes, Ms. Suzie, do you remember me? And she said, Honey, I am sorry, I meet so many. Remind me of your name. And she said, I am the girl that can't jump rope. She said, I thought about what you taught me. I started drinking more water over the summer instead of soda. I started to eat carrot sticks instead of chips, and I taught myself to jump rope. I jumped rope every day. I lost 26 pounds. Not everybody loses 26 pounds, but we are making differences in SNAP-Ed.

Thank you.

[The prepared statement of Dr. Britt-Rankin follows:]

PREPARED STATEMENT OF JO BRITT-RANKIN, PH.D., ASSOCIATE DEAN/PROGRAM DIRECTOR, HUMAN ENVIRONMENTAL SCIENCES EXTENSION, UNIVERSITY OF MISSOURI, COLUMBIA, MO; ON BEHALF OF EXTENSION COMMITTEE ON ORGANIZATION AND POLICY

Mr. Chairman, Ranking Member Peterson, and Members of the Committee, it is an honor to be invited to testify before you today and submit testimony for the record on SNAP-Ed. Land-grant universities have a rich history with SNAP Education (SNAP-Ed). Beginning in 1988, SNAP-Ed was first delivered by University of Wisconsin Extension. By 1992, seven land-grant universities, via Extension, delivered SNAP-Ed programming and this number grew to 49 states and territories by 2002. Currently in FY 2016, there are 49 land-grant universities/Cooperative Extension services providing SNAP-Ed, including both 1862 and 1890 institutions.

With the growth of Extension-lead SNAP-Ed programs, USDA NIFA established the SNAP-Ed Program Development Team (PDT) in 2001. This team includes Family and Consumer Science Program Leaders and other university administrators, SNAP-Ed Program Coordinators, an office manager, and a NIFA representative who are committed to improving the consistency and effectiveness of SNAP-Ed programming through Cooperative Extension in addressing national health and nutrition-related problems facing low-income populations. Each member serves a 2–3 year team. I served as a member of the PDT from 2006–2009.

The Land-Grant Mission and SNAP-Ed

Land-grant universities (LGUs), through Cooperative Extension, are uniquely positioned to serve as SNAP-Ed Implementing Agencies. First and foremost, Extension and the land-grant university has a primary educational mission. They are not a service provider. University faculty have the ability to translate research into educational programs and conduct program evaluation which informs future research. This creates a continuous quality assurance feedback loop. Annual community needs assessments also help shape programming that meets the SNAP participant where they are most receptive to engage in education. These activities are all part of what we call the Land-grant Mission and what Justin Morrill, Hoke Smith and Asbury Lever envisioned over 100 years ago.

Figure 1. Program Development Process

With the passage of the Morrill Act of 1862 and 1890, land-grant universities were established in each state to provide greater access to higher education to the citizens with two primary missions—Research and Teaching. With the passage of the 1914 Smith-Lever Act, these institutions created a third mission, what is known as Extension. The Extension mission was designed to translate the university-generated research and teaching beyond the campus to farms and consumers. Extension was to be a cooperative activity between the Federal Government (USDA), the states (via land-grant institutions) and county governments.[1]

The Ohio State University (OSU) SNAP-Ed, in collaboration with Case Western Reserve University (CWRU) and Ohio Department of Health's Creating Healthy Communities Initiative, is currently demonstrating how land-grant universities can conduct research and translate it into educational interventions. This OSU-lead collaborative is working together to develop a tool that will help front line staff to determine what Policy, Systems, Environments (PSE) intervention a group or community is willing to undertake and be successful. The tool will take the interested group through an online questionnaire and depending on the question responses will determine the most reasonable intervention and provide online resources to guide implementation. OSU faculty recruited SNAP-Ed participants and SNAP-Ed staff for the core formative evaluation and have been engaged in the ongoing development of the tool. They also assisted with further refinement by engaging practitioners in farm to school, early child care, farmers markets and healthy corner stores. Given the statewide reach of OSU Extension, they were able to provide populations from a variety of environments rural, urban, and suburban. CWRU is providing their expertise in data analysis and tool construction. The tool questionnaire is now in the preliminary phases of testing and the website is being developed.

The Extension mission continues today being delivered across each state by a network of faculty, ensuring educational opportunities from the urban core to the most rural locations. These faculty are often referred to as agents, educators or specialists. In 2016, the PDT conducted a survey[2] of land-grant university SNAP-Ed faculty to determine what the qualifications and education those who provide SNAP-Ed programming have. Based on the results of 43 institutions reporting, a total of 3,620 persons (2,269 FTE) work with SNAP-Ed. Although some individuals held multiple degrees, SNAP-Ed faculty and staff hold 754 bachelor degrees, 450 master's degrees and 54 Ph.D.s in the areas of nutrition, health, physical activity and education. Two hundred thirty-four (234) held degrees in other fields. In addition, these individuals hold the following registrations or licensures: 209 registered and/or licensed dietitians, 85 state licensed nutritionists, four state licensed in physical activity and 32 other certifications. These individual roles are paraprofessional program delivery (54%); professional faculty/staff program delivery (30%); administration and budget (7%); program leadership (6%) and curriculum and support staff (3%).[3]

These educators deliver research- and evidence-based educational programs through both face-to-face and on-line delivery methods. They provide technical assistance to producers, consumers, communities and businesses. Extension faculty also work closely with local, regional and state service agencies and institutions to provide referrals, develop community plans, and to provide education to their clients. By doing so, Extension faculty are able to meet the needs of participants where they live, work, learn, play and pray.

University of Georgia Extension has developed "Food eTalk", an online eLearning nutrition education program designed to provide cost-effective and efficient nutrition education for low-income populations by capitalizing on trends in Internet access and use as well as mitigating barriers to attending traditional face-to-face classes. "Food eTalk" is accessible to anyone with an Internet connection. It is mobile friendly and designed to be taken at the user's pace and lessons do not have to be taken in a specific sequence. An extensive multi-year evaluation is underway currently, but clearly demonstrates how the Georgia Extension is meeting SNAP participants where they live and learn.[2]

University of Alabama Extension combined research and Extension efforts in the program development process when they developed and continue to evaluate their "Body Quest" program. Alabama Cooperative Extension first implemented the child obesity prevention program "Body Quest" in 1999, and since then program has become a 15 week, multi-level program aimed at reducing childhood obesity in third-graders through multiple delivery methods. In FY2015, the program was implemented to both a treatment and control group of students and their parents, which included social marketing, community coalitions, and parent and child engagement, among other things. The curriculum included materials and iPad applications with [anime]-style cartoon characters representing different healthy habits to help make the curriculum relatable to the children. By the end of the 15 week period, treatment students reported eating more fruits and vegetables offered through the School Lunch Program compared to the control group. Parents of the treatment group children were given easy to make and inexpensive recipes that incorporated more vegetables, and were given other information and tips through a texting initiative. A post-survey texting poll found that 100% of the parents who received the texts enjoyed them, and as a result treatment group parents found that their third-graders ate an increased amount of vegetables per day compared to the control group.[3]

Focused on Positive Behavior Change

The Centers for Disease Control (CDC) reports **that more than ⅓ (34.9% or 78.6 million) of U.S. adults are obese and 17% (12.7 million) of U.S. children and adolescents (ages 2 to 19) suffer from obesity.**[4]

Data indicates that low-income individuals are more likely to be overweight and/or obese. Programs such as SNAP-Ed are critical to addressing the current obesity epidemic within the United States and trying to prevent these numbers from increasing with future generations.

The goal of SNAP-Ed is to improve the likelihood that persons eligible for SNAP will make healthy choices within a limited budget and choose active lifestyles consistent with the current *Dietary Guidelines for Americans* and MyPlate.[5]

While not the only SNAP-Ed implementers, LGUs have deep educational roots in communities across the United States. This infrastructure, coupled with the land-grant mission of *providing practical, hands-on education,* has provided an ideal partnership between SNAP and LGU's.[6] Research has shown that exposing children to hands-on activities with unfamiliar fruits and vegetables can increase a child's willingness to taste these foods.[7–8] By understanding the research and educational delivery methods, Extension SNAP-Ed programs can focus their efforts on positive behavior change.

Nationally, youth under the age of 18 is the greatest segment of the population to participate in SNAP-Ed programs. By targeting a youth audience allows SNAP-Ed influences behavior change earlier in life, promotes lifelong healthy habits, and helps to influence behavior of peers and family members. By adopting healthy eating and physical activity behaviors earlier in life, there is a greater likelihood of reducing risk of nutrition-related diseases and minimizing future healthcare costs.

Table 1. Age of Participants

	FY15 SNAP-Ed[2]	FY14 SNAP[9]
Under 5 Years	7%	13.9%
5–17 Years	67%	30.3%
18–59 Years	19%	45.6%
60 Years & Older	7%	10.1%

Extension SNAP-Ed programs are committed to providing education to a diverse audience. That audience reflects the SNAP participation within each community, state and the nation. *Table 2* demonstrates how LGU SNAP-Ed programs serve racially and ethnically diverse audiences throughout the country.

Table 2. Race and Ethnic Diversity (46 States Reporting) [2]

	SNAP-Ed Participants	U.S. Population
Race (2,398,271 reporting)		
American Indian or Alaska Native	2.2%	1.0%
Asian	2.0%	4.8%
African American	19.8%	12.6%
Native Hawaiian or Other Pacific Islander	0.5%	0.2%
White	69.8%	72.4%
Other	4.7%	9.1%
Unknown	0.9%	
Ethnicity (2,386,463 reporting)		
Hispanic	17.5%	16.3%
Non-Hispanic	81.4%	83.7%
Other	1.1%	

Offering a Complement of Nutrition & Physical Activity Programs

Land-grant universities offer a complement of nutrition education programs. It is important to understand that, although an entity may deliver multiple programs via multiple funding sources, these programs are *complementary and not duplicative.* In addition, program funding mechanisms often vary.

For example, SNAP-Ed funds are distributed to state SNAP agencies. The state agency may retain a part or all of the funding. They may also choose to grant funding to one or more implementing agencies. States may elect to accept a multi-year scope of work but often approve only single year plans. Budgets are only allowed to be for a single year funding period with the ability to utilize the funding for a period of up to 24 months. When plans are for only a single year, program continuity and long-term evaluation becomes more difficult. Annual funding proposals can also lead to greater turnover or change in the type and number of implementing agencies within states.

In addition to SNAP-Ed, LGUs receive Expanded Food and Nutrition Education Program (EFNEP) funding through USDA NIFA. These Smith-Lever [(3)(d)] funds are distributed as capacity funding. EFNEP began in 1968 and is conducted by all Cooperative Extension Services. EFNEP provides education utilizing a paraprofessional model in many states. EFNEP is grounded in direct education. On average a participant receives an average of 9 hours of instruction over 6–18 months utilizing evidence-based curricula. They must complete a series of standardized evaluation and dietary recalls prior to program graduation. EFNEP is designed to reach families with children in the home and low-income youth.

Extension faculty also utilize local, state, regional and national funding from Federal, state, foundation and private sources to fund nutrition education opportunities. Each funding source can be used to complement and expand the body of knowledge and scope of an intervention. For example, University of Missouri SNAP-Ed conducts a social marketing campaign entitled "Live Like Your Life Depends on It." This campaign is targeted to adults' 35 years and older promoting healthy dietary and physical activity behaviors. This campaign utilizes billboards, radio and print media as well as posters and flyers to promote these messages. SNAP-Ed funding can only be utilized within geographic areas where 50% or greater of the population is at or below 185% of poverty. By leveraging their partnership with the Missouri Council on Activity & Nutrition (MOCAN) and its partner agencies, the message can be further replicated throughout the state in geographic areas where SNAP-Ed cannot fund this effort.

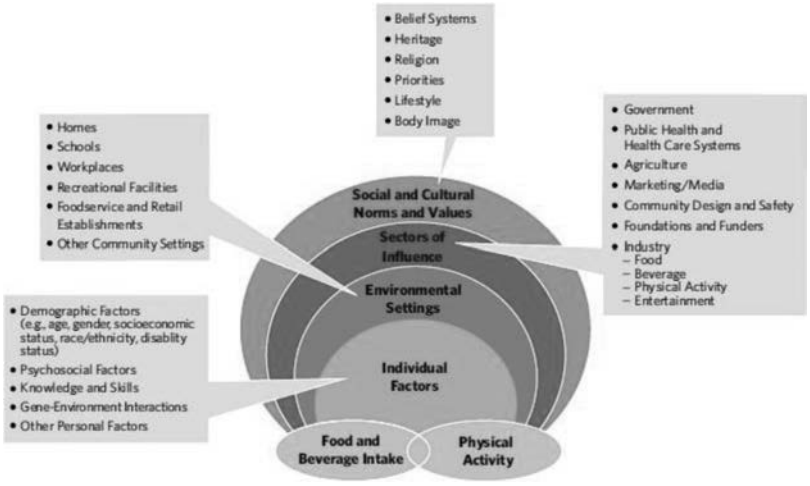
Improving SNAP Participants Lives and their Food Environments

Food insecurity affects 14.9% of American households, and rates are approaching 25% among black and Hispanic households. Nutritionally poor foods are often less expensive than healthful foods, and food insecurity is associated with poor diet quality and diet-sensitive diseases, including diabetes, hypertension, and hyperlipidemia. Food insecurity has also been associated with other behavioral factors related to chronic disease self-management and poor disease control.[10]

SNAP-Ed is the educational component of SNAP. SNAP is the nation's first line of defense against hunger and a powerful tool to improve nutrition among low-income people.[4] SNAP-Ed is designed to provide nutrition and physical activity education to SNAP recipients of all ages. While not having a specific food security goal or focus, SNAP-Ed supports SNAP's role in addressing food security.[4] SNAP-Ed is

grounded in the Social Ecological Model (*Figure 2*)[11–13] which demonstrates that education and interventions must occur at the individual, policy, system and environmental level of a community. SNAP-Ed must now be delivered as a combination of direct education and either multi-level interventions and/or public health approaches. All curricula and interventions must be evidence-based, meaning they must be tested for validity and reliability. Simply put, SNAP-Ed is *changing participants' health, lives, and their food environments.*

[Figure 2.] A Social Ecological Framework for Nutrition and Physical Activity Decisions



Extension SNAP-Ed programs would all agree that they strive to do the following:

- Improve diet quality.
- Increase physical activity.
- Stretch food dollars. (avoid running out of money before the month ends).
- Increase healthy food access.

"Better Living for Texans" (BLT) demonstrates how one evidence-based program may have several of these goals within itself. BLT is a statewide program serving 217 of 254 counties in Texas, and is aimed at helping educate how to eat healthier while saving money on their grocery bills. BLT offers educational classes, newsletters and other services with a goal of providing up-to-date nutritional advice to SNAP recipients so that these consumers will be able to make healthier food choices. The program has documented positive behavioral changes in its participants in many areas, including the ability to prepare nutritious family meals; improved food shopping skills; the ability to manage their food budget; increased physical activity levels and improved safe food handling practices.

Regardless of the state or the community, Extension faculty are working to meet the needs of SNAP-Ed participants where they live, work, learn, play and pray. *Table 3* provides just a few of the sites where Extension SNAP-Ed programs are being delivered.

Table 3. Delivery Sites Examples (not an exhaustive list)

Direct Education	Policy, Systems, Environments (PSE)
Community Centers	Farmers' Markets
Emergency Food Assistance Sites	School & Community Gardens
Churches	Retailers
Healthcare	Local Government Entities
Libraries	Food Producers
Retailers	Community Agencies
SNAP Offices	Healthcare
Worksites	Childcare Providers
Youth Program sites	Community Design Agencies

Finally, I would like to leave you with a few examples of how SNAP-Ed delivered by a land-grant universities can make an impact on a local community as well as individual SNAP recipients.

The presence of SNAP-Ed in the Tracy, MN classrooms has led to a strategic partnership with others in the school district, such as school food service as well as the FFA chapter's community garden. Because the school district procures food directly from local producers, the SNAP-Ed educator was able to work with the school food service director to promote locally grown menu items to the students. Through a USDA grant that Tracy Schools received, they were able to install a walk-in freezer and cooler which allowed the district to purchase greater quantities of produce and created new markets for producers. In 2012, University of Minnesota SNAP-Ed evaluated these efforts impact on increasing fruit and vegetable consumption. Their results are shown in *Table 4.*

Table 4. Tracy MN SNAP-Ed Fruit and Vegetable Intake Data

	Increased Fruit Consumption	Increased Vegetable Consumption
Grade 3	68%	46%
Grade 4	57%	29%
Grade 5	51%	33%
Grade 6	64%	41%

In Lyon County, Kansas, the SNAP-Ed nutrition educator expanded the regularly offered nutrition classes by working with the local grocer to provide in-store healthy food demonstrations that correspond with the store's weekly sales circular. For many years, the store manager has provided discounts on purchases made for SNAP-Ed food demonstrations for nutrition classes. Now, the educator has been invited to conduct in-store demonstrations with an emphasis on proteins, fruit and vegetables. With the assistance of Kansas State University graphic artists, recipe card, menu and full sheet recipe templates have been created. These items can be localized to promote store-specific information. The grocer displays recipe cards with the sale items. The local school district also promote these recipes on its parent webpage. This community-wide support has resulted in (1) increased sales of featured items; (2) customers reporting replicating the recipes at home; (3) grocery staff also report making the recipes at home; and one person who indicated they were able to "cook something for dinner that wasn't frozen." The store manager summarized the project success "I am very happy with the (SNAP-Ed) partnership to provide informational resources for our community, in trying to make it a better place to live, work and raise a family." [14]

In Missouri, MU Extension faculty developed a number of programs for direct education as well as *Policy, Systems and Environment (PSE) interventions.*

"Show Me Nutrition" (SMN) is a comprehensive curriculum that teaches youth from preschool to junior high how to adopt a healthy lifestyle and make positive behavior changes. The curriculum supports both Missouri and national health education standards. Several important themes are taught at each grade level, such as nutrition, food safety, physical activity, media influence and body image. Each grade level is designed to be taught alone or promotes continuity for children as they are promoted through school. Age-appropriate content, activities and handouts make learning about healthy eating fun for students of all ages. The pre-school through fifth grade curricula include family newsletters that help engage family members and caregivers in supporting their child's education as well as replicating the recipes and physical activities at home. Each curriculum also includes handouts to reinforce each lesson.[15] "Show Me Nutrition" has been sold into 47 states and three foreign countries. As of FY2015, over 19% of Extension SNAP-Ed programs incorporated SMN into their program. Additional non-Extension SNAP-Ed Implementing Agencies also utilize the SMN curricula.

"Eating from the Garden" (EFG) is an MU-developed curriculum that combines direct education with PSE strategies. EFG provides research-based information to high needs youth in schools and community programs. Through nutrition education and gardening activities, EFG's goal is to increase consumption of fruits and vegetables as well as increasing local access to fresh produce. Each school or community program that participates is actively involved in the preparation and maintenance of the garden site. The local program also determines how the produce, in excess of food tastings, is utilized—sent home with participants, donated to emergency food sites, used to augment their food service program, or as part of a local farmer's market. One school worked with their nutrition educator to be referred back to the state SNAP agency to determine how they could accept EBT/SNAP benefits if they uti-

lized the produce grown in a school-based [farmers'] market. The market would be held once a week during after-school pick-up so parents could select fresh produce to incorporate into their family's meal. Given a poor spring 2016 growing season, they were not able to provide adequate produce for their school families, so they invited local producers to join their market. This was the only market available to a community where over 60% of the school children are eligible for free-/reduced-lunch and SNAP recipients. At a separate school, one family, whose child participated in EFG, replicated the garden effort in their own home. This family reported being able to provide adequate produce for their family for over 3 months in 2015, thus, *stretching their limited food dollars and reducing their reliance upon SNAP benefits.*

"Eat Smart in Parks" and "Shop Healthy, Stock Healthy" are two more recent interventions developed to address the policy, system and environmental change component of SNAP-Ed and to improve the overall food environment of the SNAP audience.

"Eat Smart in Parks" (ESIP) was developed by a statewide collaboration, including University of Missouri Extension, Missouri Parks and Recreation Association (MPRA), and the Missouri Council for Activity & Nutrition (MOCAN) as well as MU Parks, Recreation and Tourism faculty and the MU School of Journalism's Health Communication Research Center. The goal of ESIP is to promote healthy eating options in Missouri state and local parks. Although parks are a valuable resource for children and adults to maintain and improve their health through exercise and recreation, the high-calorie, salty foods served at some parks can quickly negate the benefits of being outside and moving more. Parks who participate in the ESIP program receive customer research, menu analysis, taste tests, healthy product identification and sourcing assistance, marketing materials and healthy food incentive ideas. In Fountain Bluff, MO, park customers surveyed indicated they wanted healthier options. This research inspired the park manager to partner with a local grocery to buy fresh fruit and vegetables packaged in small, snack-sized servings. The grocer packages the produce which reduces labor and ensures a fresh, quality product. The park manager also decided to keep the price point lower and have a smaller profit margin on the healthy items to increase sales.[16]

"Stock Healthy, Shop Healthy" is a comprehensive, community-based program that allows communities to improve access to healthy, affordable foods by working with small food retailers. Millions of Americans, many whom are SNAP recipients, have limited access to a supermarket, which means they rely on fast food restaurants, gas stations and corner stores to feed themselves and their families. This often reduces their ability to buy healthy foods and can increase their risk for overweight and obesity. "Stock Healthy, Shop Healthy" provides guidance to a community to increase healthy food access by engaging small food retailers and community members, therefore, addressing supply and demand at the same time.[17]

Let me close by again thanking Chairman Conaway, Ranking Member Peterson, and all of the Committee Members. It has been an honor to be able to share just a small portion of the impacts made by Cooperative Extension and the land-grant university system through SNAP-Ed.

[Endnotes]

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[17] *Shop Healthy, Stock Healthy.* University of Missouri. *http://extension.missouri.edu/stockhealthy/*. Accessed 6/15/16.

The CHAIRMAN. The doctor's time has expired.

Well, thank you, all four of you, for terrifically inspiring testimony.

The chair would remind Members that they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. And I appreciate Members' understanding.

I now recognize myself for 5 minutes.

Dr. Sharma, the Brighter Bites has an extensive network of private-sector businesses, as you mentioned, H–E–B and Sysco, as well as nonprofits. How do you sell them on your idea and get them to support your overall mission, and can you tell us how integral they are to the success of what you have done so far?

Dr. SHARMA. Thank you for this important question. The key is alignment of mission and alignment of expertise. H–E–B and Sysco Foods have been our strong partners, and one example that H–E–B is that community engagement is not just something that they do, but it is at the foundation of how the company works. And for Sysco Foods, Rich Dachman, who is the Vice President for Produce for Sysco Foods, is on the board of Brighter Bites, and the mission for Sysco Foods is how to healthfully feed our families. And so there is alignment of mission and that is critical when you are looking for this for-profit-nonprofit partnership. And alignment of expertise. We have leverages on the Sysco Foods ability of having 9,000 trucks that run daily around the country, and they have relationships with the farmers so they can then directly aggregate the excess produce and bring it in to the food banks, who can then bring the produce to our Brighter Bites locations.

The CHAIRMAN. There are a lot of things going on in Texas. Feeding Texas, the A&M Extension Service, represented by Dr. Britt-Rankin, all of them get SNAP-Ed grants. How do you coordinate with them so you are not overlapping and serving the same populations?

Dr. SHARMA. Thank you again. It is a very important question. We do not want to duplicate efforts. We do not want to reinvent the wheel. And we have leveraged on the infrastructure of a lot of our partners, like local food banks who we work with in produce procurement, inventory and delivery. We also work with Feeding Texas that actually oversees the 21 food banks in the State of Texas. And we are working with them closely, and Feeding Texas, as you know, receives funding from the USDA, on developing a statewide model for nutrition education. For Texas Agriculture Extension services at A&M: first, we are working with them very closely too, they have been funded for school gardens, where you are creating the seed-to-plate nutrition education, material and information for the children, and with Brighter Bites they get to try the produce at home. We are linking the school and the home, and we are doing it by really leveraging the expertise of our partners and not duplicating the efforts.

The CHAIRMAN. You mentioned as part of your bio that you have some expertise in measurements and we are all interested in success, reducing the obesity rates and lowering the rates of chronic illnesses. Talk to us a little bit about how you see your role in evaluating Brighter Bites, walk us through what you evaluate and how you define success.

Dr. SHARMA. Thank you for the opportunity to answer that question. We have seen very compelling results with Brighter Bites. We have tracked our families for the last 4 years. We collect data on all our families and the schools that——

The CHAIRMAN. Do you have health data on the individuals or weight data?

Dr. SHARMA. We have weight. We track children's weight. We have the weight of the children, so we track that. And our rates of obesity in the children that are in our population are higher than the national average. It is 42 percent of our children are overweight or obese. And we are going back, this year we are going back and seeing if the children who were in the Brighter Bites programs, what does their weight gain trajectory look like for 2 years that they have now been in the program. So we are tracking health metrics.

The CHAIRMAN. You are saying there was a 42 percent obesity rate at the beginning of your program, and they were——

Dr. SHARMA. First-grade children.

The CHAIRMAN. Okay.

Dr. SHARMA. Yes.

The CHAIRMAN. Go ahead.

Dr. SHARMA. Yes, first-graders. And we are doing a project with Texas Children's Hospital where we are actually looking at stool samples of children who are receiving Brighter Bites, because if you have a healthy gut, bacteria, that is sort of the window into your health. And so we are looking at stool samples of children who are receiving fruits and vegetables to see how that impacts the gut bacteria as well. Which is another really important health marker as well. So we are tracking metrics both at the behavioral as well as the health level.

The CHAIRMAN. Well, thank you very much. Again, I appreciate all four of you being here this morning.

The Ranking Member, for 5 minutes.

Mr. PETERSON. Thank you, Mr. Chairman. Dr. Britt-Rankin, the University of Minnesota Extension has a SNAP education program in Staples, which I mentioned earlier, is partly in my district and partly in Mr. Nolan's district. This program called Choose Health not only provides qualified families with fresh produce, through a CSA community board agriculture share, but also offers classes on some ways to cook the fruits and vegetables that they are given.

My question is, what is the more important and effective piece of this model? Is it the availability of the food, or is it learning how to cook it?

Dr. BRITT-RANKIN. I would say it is a combination. I think you have the skills. You may know of our——

The CHAIRMAN. You need to turn your microphone on please.

Dr. BRITT-RANKIN. My apologies. I would say it is a combination. We know that many of our young people today are almost two generations from having cooking skills. And so we have to know how to prepare the food, but we have to have access as well. We know that nutrition education, if we have lessons that are encouraging people to increase their fruits and vegetables, if there are none available in their local community, they can't put that to use. So they need the hands-on, we know there is research to show that hands-on opportunities to prepare the foods we are talking about, increase the likelihood that they are going to keep those in their diet and prepare those long-term. But we do have to have the access. So it is really a combination.

Mr. PETERSON. Thank you. Ms. Foerster, I recently read a history of SNAP and am fascinated by the evolution of the program, from the old days of coupons and surpluses to the program that we oversee today. And in some ways, the topic that we are here to discuss, SNAP education, mirrors one of the major challenges that the Committee faces in setting policy for farmers. And that challenge is that the majority of the people in this country are detached from agriculture. Knowledge about agriculture and our food supply used to be common information, as was knowledge about nutrition and cooking. And, you used to have home economics in school. But I don't want to date myself too much.

Why is it that so many of our citizens are not able to do a good job of food preparation, and how do we solve this problem? SNAP education has a large role to play, but what other things can we be doing to help re-educate the American public on how to cook instead of going to the fast-food place?

Ms. FOERSTER. Thank you very much for the question. In terms of being an historian, what we see now with SNAP-Ed is that it has evolved from boots-on-the-ground understanding, what it is that people want. What we see in low-income communities is acute concern about overweight in children, about high rates of diabetes and hypertension, early heart attacks, and that sort of thing, which, when people learn that these are rooted in poor dietary practices and physical inactivity, they get very much interested in how they can be doing better, and they start looking at the food supply. And so we see a resurgence really of farm-to-fork, farm to local agriculture, farmers coming into schools, chefs being inter-

ested in local produce, these kinds of things that can really get people engaged in where their food comes from.

With SNAP-Ed, we are trying to go upstream. Part of what happens after nutrition education is done is that people do get interested in their food supply, how to cook, culinary careers that people can get into, high school or chefs and so forth, moms, even just becoming interested in the heritage of the food that maybe their culture had been interested in, and being concerned about what food is offered in the stores where they shop. It is evolving naturally that low-income people as well as others are watching where the food comes from, they are interested in gardens, community gardens, they are interested in selling the produce that they might be able to grow there. There is a lot of opportunity that we have with the connection between SNAP, SNAP-Ed and agriculture being very strong. Food policy councils, for example, are a growing institution that looks at entire food systems, it could be a rural area or an urban area.

Mr. PETERSON. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Gibbs, for 5 minutes.

Mr. GIBBS. Thank you, Mr. Chairman. Thank you to the witnesses for being here.

I have a couple of questions. The first thing I want to try to talk about, I guess to Dr. Rankin. The SNAP-Ed and the EFNEP have similar goals but they are separate programs, and funded separately. Can you bullet point differences of the two programs, and if a SNAP recipient participated in both programs, would they be getting different information from the programs?

Dr. BRITT-RANKIN. Thank you for the question.

Mr. GIBBS. Microphone.

Dr. BRITT-RANKIN. Thank you for the question. To compare and contrast first. EFNEP, as you said, it is capacity funding directly to land-grant institutions from USDA and NIFA. SNAP-Ed is a grant program that goes to the state SNAP agencies. EFNEP targets families with children in the home and youth groups, where SNAP-Ed is all SNAP recipients.

Program delivery for EFNEP is grounded in long-term, deep, rich nutrition education. For adults, there is an enrollment process, a graduation process, looking very much at dietary intake with food recalls——

Mr. GIBBS. So we are really talking behavioral changes eating and——

Dr. BRITT-RANKIN. It does change. SNAP-Ed uses multiple methods. They may use single session, multi-session, as Dr. Sharma says, up to 16 weeks. So it can go—we are in the school district—in schools maybe year-round. However, we have the additional, the policies, the systems, the environments, as we have talked about, the gardens, the farm-to-fork those are complementary and look at the community system that we may not do as much of EFNEP. I would say that basic nutrition, food preparation, safe food handling doesn't change depending on the funding source. However, SNAP-Ed complements the direct education, which is the foundation.

Mr. GIBBS. Okay. Okay, I want to move on.

Dr. Sharma talked about in her testimony that in the last 30 years, obesity rates in children have doubled, and as you know there is a 12 percent increase in intake of fruits, so it has improved somewhat. The question I want to get to is coordination between the SNAP people, education, SNAP-Ed and all that, and the schools, and the USDA and the School Lunch Program. And I know the Ranking Member mentioned home economics. Behavioral change is possible, physical activity, and it seems to me that especially for our children, that has to go hand in hand.

And so I guess my question really is what can we do as policymakers to really encourage more coordination between all the agencies involved, and so we are doing the right education on eating behavioral changes, but also physical activity and all that?

Dr. SHARMA. Thank you for the important question. At Brighter Bites, we implement CATCH, which is Texas Education Agency approved. It is a coordinated school health program that is implemented in the schools, which includes very strong nutrition, physical activity, and a food service component. Schools are trained and empowered in implementing all of these components, and integrating into the day-to-day lives of the kids. It is a holistic approach where you have the nutrition, physical activity, and a food service component. So you are sort of elevating the opportunities.

Mr. GIBBS. When you started this program, Brighter Bites, what were the hurdles to get everybody working together. Were there state law changes, or how did that come about?

Dr. SHARMA. It was the formula that we intended. We wanted to link the school with the home, and we wanted to combine access with education. So that is where we brought in the food banks to procure the donated produce, and the schools to implement CATCH, and then we work very closely with the families where we integrate both these messages and link it to the home so they can practice these behaviors.

Mr. GIBBS. Okay. In this program, do you have challenges working with the schools to encourage more physical activity? How is that intertwined with that?

Dr. SHARMA. We train the schools. We work with the schools very closely, and we actually provide them with the equipment that they need to implement the nutrition and physical activity components. Schools will get basketballs, volleyballs, hula-hoops, whatever it is to make physical activity fun and keep the kids moving, while they are learning to eat healthier. It is a combination of both.

Mr. GIBBS. Okay. Thank you, Mr. Chairman. I yield back.

Dr. SHARMA. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Mr. Scott, for 5 minutes.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Chairman. This is indeed a very interesting hearing, but it is very important that we get to the focus of this hearing. And the focus of this hearing is to determine the budget for SNAP education. I have been here 14 years, and SNAP education has been a target.

I would like to give each of you an opportunity to state for the record how you measure the success, what evidence do you have to show, and how do you make what you are doing accountable to the taxpayers, because we need that in order to help us maintain the

funding for what you are doing. So share with us how you measure the success of the program.

Well, why don't you start, Dr. Wisdom?

Ms. FOERSTER. Thank you.

Dr. WISDOM. Thank——

Ms. FOERSTER. I am sorry.

Mr. DAVID SCOTT of Georgia. Well, I have another question. What I am after here is that we have these hearings, but we need to get to the meat and potatoes here. Your programs are being targeted. Right now, you are at $414 million. It is clear to me this is a very, very serious issue, and oftentimes, you are not given the opportunity to say here is how we are measuring the success, here is what happened, here is where we started this year, here is where we are now, this is what we have accomplished. I want to give you an opportunity to plead your case here.

Okay, Ms. Foerster.

Ms. FOERSTER. Thank you for the question. The SNAP-Ed evaluation framework that you have in my testimony attempts to put together the major endpoints that experts recommend are needed for good nutrition in the country, for food insecurity, physical activity, and obesity prevention. And so what this framework does is put together 51 indicators, I know that sounds very bureaucratic, but it puts together 51 indicators, each of which has specific metrics that a state or locality can mark their progress against, and that as a national level we can compile these data across state lines to provide you with information about how the program is doing, what are the successes that it is having. Ultimately, we are aiming for health changes in the entire population, and I mentioned 90 million people. What we think we can do is give you that data about changes that are occurring for individuals in organizations that the individuals frequent, and in the communities where people live.

Mr. DAVID SCOTT of Georgia. Okay. Well, we have some specific programs like Health MP. In other words, I guess what I am looking for, if you take a measurement of where we were in 2012, and then here we are in 2016, is there any numerical data that we could have of how many children, how many young people were effectively losing the weight? I mean that is what we need when we point to this, because this SNAP program is always in constant jeopardy. I would like to have some numbers that show: here is what we did in this state. If we don't show real visible things that we can communicate to the American people and here in Congress to really illustrate how many students, how many young people we were able to help, and give us some success stories.

Ms. FOERSTER. We are starting to be able to do that across the country, and compile those individual results. There is a dose response relationship where, in communities where enough interventions are being done, enough help is being provided to the community, that is where you are going to see the changes. You won't see them statewide. You are going to see them where there is enough density of intervention in order to show. In a way, it is a natural control group that where we can do enough, we change.

Mr. DAVID SCOTT of Georgia. Okay. I have like 20 seconds, and I do want to make a point. Dr. Sharma, you really hit it when you

mentioned that over the past 30 years, obesity in children has doubled. Now, that gives a reason for what we are doing.

Do you see a relationship between that 30 year period and when the schools stopped having physical education as a course every day? Don't you think there is some correlation with that?

Dr. SHARMA. Yes, and also with the home economics program. The shifts have definitely lowered the opportunities for the children while they are at school, where they spend a majority of their time, to practice these healthy behaviors. And we are tracking the obesity rates in our children. The families that go through Brighter Bites, we track their heights and weights, and we monitor them as they are going through the program. And we have data for the last 3 years on the families.

Mr. DAVID SCOTT of Georgia. And wouldn't it be good if we could maybe begin the process of reinstituting that physical education class in the schools?

Thank you, Mr. Chairman.

Dr. SHARMA. Yes.

The CHAIRMAN. The gentleman's time has expired.

Austin Scott, 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Thank you, Mr. Chairman.

I think that last question about physical education got a lot of yeses from up here. As I looked around, people nodding their heads. I think our family life today has a tremendous impact on it as well. It seems that parents have less time with their kids, and so when you do have the time with them, you want them to be happy, and sometimes what makes them happy and what is right for them isn't necessarily the same thing. I am thinking of maybe Dairy Queen and——

Mr. GIBBS. Pick on Dairy Queen.

Mr. AUSTIN SCOTT of Georgia.—things. Well, all right, I won't pick on Dairy Queen. I think you understand what I am saying. But thank you for what you do.

And I guess my question is: we talk about what people eat a lot, but the serving size is just something that has amazed me is they have continued to get larger and larger and larger, and what was a large Coke when I was a child, when you went through the driveway today is a small Coke. And how much emphasis is there on portion sizes, and what is being done or not being done with regard to that?

Dr. WISDOM. I would be delighted to answer that question, to at least start off the conversation. And that is a very, very important question because many individuals do not understand what a portion size is. They think a portion size is whatever they put on their plate. That is a portion, that is a serving. So one thing that SNAP-Ed does in a very deliberate, intentional, and a repetitive way is to help individuals and families understand, children, adults, entire family units, understand the importance of portion size and how that has to be understood as well as monitored.

What we do in our program at Henry Ford Health System is we, for one, simplify what portion size is. We help them understand through very simple methods such as using their hand as a source of understanding what is 3 ounces? The palm of an adult-size hand. What is a cup? A fist. What is a teaspoon? The tip of the thumb.

What is an ounce? The entire thumb. So we try to find ways to engage the youth as well as the families in very simple ways so that they can make very thoughtful decisions around portion size on a regular basis, without having cups and necessarily those tools at hand when they are making that decision. And we repeat those messages over and over again. We keep it very simple, very repetitive, and we have youth that are very clearly understanding what portion sizes are, if they are deviating from the recommended portion size. Through that simplification and repetition, we are driving that message home, the importance of portion size.

Mr. AUSTIN SCOTT of Georgia. Ma'am?

Dr. SHARMA. Thank you for the important question. And Brighter Bites as well, we work with the families using hands-on techniques, and part of that is working with them using the MyPlate. Half of your plate should be fruits and vegetables, and you have to have a well-balanced diet where you have the other meats and dairy and other components as well.

We have seen that our families demonstrated a twofold increase in the knowledge of using portion sizes as part of planning their meal.

Empowering the families and just sort of demystifying this information is critical because there is intimidation of produce, there is intimidation in how much do I serve to my family.

Mr. AUSTIN SCOTT of Georgia. Yes.

Dr. SHARMA. We really work with the families in sort of breaking these pieces down, using the simple MyPlate guidelines, half your plate fruits and vegetables, to sort of send home these messages in a very easy, concise, and a repetitive way. Thank you.

Ms. FOERSTER. And a third area would be that in working with other food service operations, whether it would be with a worksite food service or in schools, other places like that, the portion sizes that are offered on the plate and the distribution to have, say, more fruits and vegetables and fewer fried foods, that sort of thing, that is kind of the upstream way of trying to de-normalize in other areas of people's lives how much food is being eaten.

We are all really looking forward to the new nutrition labels as well that are going to kind of demystify how much food is in that container, because a big single serving of a soft drink is not one portion. That is a very important aspect.

Mr. AUSTIN SCOTT of Georgia. That is right, and I am——

Dr. BRITT-RANKIN. I would just add, extension programs across the country are utilizing many of the things that our first three presenters, I would also say that we have children that are bringing materials home to the families, so that we can replicate this in the home. We are trying to empower this population to advocate. We see children, and we have had a number of school food service tell us, that the children have come, they realize their portion was not the full-sized portion of vegetables, because they were trying to reduce food waste, and these children, after nutrition education, are actually saying we are not getting our full serving. We would like our full serving.

Mr. AUSTIN SCOTT of Georgia. Mr. Chairman, I am out of time, but I would just reiterate that everybody was nodding their head when it came to the question of physical education in the school

systems, and making sure that our kids get enough exercise, because they sure don't seem to be getting it.

The CHAIRMAN. I agree with the gentleman. The gentleman's time has expired.

Mr. McGovern, 5 minutes.

Mr. MCGOVERN. Thank you. First of all, let me start by voicing my strong support for SNAP-Ed and thank you for all the work that you all do. And I appreciate all the great work being done in my district with the support of USDA SNAP-Ed program. The University of Massachusetts Extension School, which is based in Amherst, is one of my state's SNAP-Ed implementing agencies, and in Fiscal Year 2015 alone, UMASS partnered with over 80 community agencies and organizations to provide nutrition education to over 60,000 adults and children in Massachusetts. And because of this programming, children began eating fruits, vegetables, and whole grains more often, they increased their levels of physical activity. I have been to a SNAP-Ed class, and I learned about issues about what constitutes an appropriate portion, and how to cook things with alternative ingredients to make them healthier and more nutritious. And at that class that I attended, there were two issues that were raised, and one was some of the people didn't have access to supermarkets, which made it more complicated for them to be able to comply with all that they learned, and the other was basically that the SNAP benefit is really inadequate. We can talk about all the different ways to improve SNAP-Ed, and we should, and we ought to. This is a good investment of taxpayer dollars, but we also need to admit that boosting SNAP benefits would improve the diets of low-income households. Sometimes the discussions we have here don't reflect the realities all throughout country. Often, as we talk about SNAP here in Washington, people think it is this extravagant benefit. The average benefit is about $1.40 per person, per meal, per day.

I would like to get your input. Would you agree with me that if we boosted SNAP benefits, we would improve the diets of low-income households, and that combined with proper SNAP education would yield an even better result? Maybe we will begin with Dr. Wisdom.

Dr. WISDOM. Thank you for the question. And I agree completely with the concept of boosting SNAP benefits combined with the education. One way that we are doing it in the interim is, in Michigan particularly, through the Double Up Food Bucks approach where, for SNAP-eligible families when they use their EBT card, they actually can receive double the amount of Michigan-grown produce.

Mr. MCGOVERN. And we have a similar program in Massachusetts too.

Dr. WISDOM. Excellent.

Mr. MCGOVERN. Yes.

Dr. WISDOM. So that is one way that we are, in the interim, finding ways to augment what people can do in terms of educating them around that, and then showing them how to prepare meals together. And particularly related to the portion aspect we co-educate parents or caregivers with the child so that they understand portion size together, they understand nutrition together. Then we give each family, after they have prepared a meal together, we

have them prepare four separate meals on four different occasions, and then do a supermarket tour. But we also leverage dollars through the health system, and we give them each, covered through the health system, a $10 bag of groceries to replicate that recipe again at home.

Mr. MCGOVERN. Right.

Dr. WISDOM. What we are finding are families are waiting for, and adults are waiting for, their children to come home so they can cook together. There is a lot of interest in the culinary arts, and moving in that direction, social work.

Mr. MCGOVERN. Right.

Dr. WISDOM. So we are finding a ripple effect of the core significant funding that has been provided through the SNAP education program.

Mr. MCGOVERN. And one of the things I remind people all the time, a lot of the SNAP families work. It is not like they have all the time in the world to do preparation of foods and stuff for the week. But, we ought to be moving this discussion at some point toward how we boost the overall SNAP benefit.

I have about 43 seconds left, but I am just curious to hear quickly what you all think.

Ms. FOERSTER. Well, the fact that SNAP is equal throughout the country is one factor, that the SNAP benefit is not adjusted for cost of living around the country is a factor. Fruits and vegetables are the most price-sensitive foods and so smaller stores, for example, we can help with getting better supply chains, particularly with local fruits and vegetables, so that the price differential in small stores is less.

In addition, the incentive programs, stores may not offer any lower prices to SNAP participants than to other customers. That is something that could be looked at in terms of trying to make that dollar stretch.

Mr. MCGOVERN. I am out of time, but, again, I appreciate your responses in writing or thumbs up that we ought to be increasing the benefit. Thank you, because that is where the focus of this Congress ought to be, instead of block-granting or cutting or revamping a child nutrition bill that would make it more difficult for kids to get meals in schools or during the summer.

But I thank you very much. I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mrs. Walorski.

Mrs. WALORSKI. Thank you, Mr. Chairman. Thanks to our witnesses for being here and lending your expertise as we continue our review of the past, present, and future of SNAP.

I chair the Committee's Nutrition Subcommittee, which has been heavily involved in this review. I want to point out this is the first hearing this Committee has held on the SNAP-Ed program in a very long time, so I am especially glad you are all here today, and to ensure that our review is a comprehensive one.

And that said, my question is how much conversation has gone on about all this integration in schools. And two things strike me listening to these conversations. First, I am from the Midwest where we have frozen tundra. Fresh fruits and vegetables only last seasonally. They are expensive because they are so seasonal. And

I can relate to your world in Detroit, Michigan, probably more than anybody else's here, maybe Missouri. But so much of this conversation is talking about the integration in schools. And our schools in the State of Indiana, our curriculum—I am married to a public school teacher, I can tell you on behalf of all school teachers in my state, there is so much curriculum mandated, there is no room for anything else. And fighting for phys. ed. and physical time outside is a question all of its own. But I also feel like, when we are talking about this education program, I also feel like we are pushing upstream because the whole country is eating and doing the things that we are trying to tell a very small group of people not to do. I know that the funding is targeted to a very small specific group of people, but, for example, and I am not sure who to direct this to, maybe Dr. Britt-Rankin, I don't know, Dr. Sharma, but what are we doing, and maybe it doesn't matter because you guys geographically are in places that grow food all the time, but the frozen food industry has to play such a large role in this because, for those of us in the country where we live in frozen tundra, there is no food available.

And then second, for places where, in the Midwest, outdoor activities like playgrounds, basketballs and soccer balls, and that kind of stuff, don't exist when it is frozen tundra. So now you are relegated to inside activities. How does that all play in places where you don't have the luxury of sun 365 days a year?

Dr. BRITT-RANKIN. I would say that in many of our extension programs, we have tried to bring in ag faculty to work with producers. We have worked with school districts, FFA, ag teachers, to think about how can they add high tunnels * when it is cold outside in Missouri, and how can we extend that growing season. We have a lot of school districts that are very interested in incorporating this, so how can we make this more possible.

We went to our nutrition and exercise physiology faculty across the country. They are looking at how do we increase activity not just at recess, but throughout our educational processes. So oftentimes, a nutrition lesson is always complemented with physical activity, even if it is for a few minutes, getting kids up, getting the moving, even in the classroom.

Mrs. WALORSKI. But what about the issue that SNAP recipients are watching the same TV programs everybody else is, they are going to the same apps online everybody else, they are doing the same thing, I mean they are people in our country, they are in our nation, being exposed to everything the majority of people are. So is there a way to broader educate the general population, knowing you are going to be educating SNAP recipients as well?

Dr. WISDOM. Go ahead, and I will follow up.

Dr. SHARMA. Thank you for the important question. The answer is yes. Everybody needs to eat healthy, and the social norms, if you will, where a majority of our population is practicing behaviors that probably need to change. We have partnered with the FN We Campaign, that is a social marketing campaign, for example, that exposes the entire population with regards to the benefits of eating

* **Editor's note:** High tunnels, also called high hoops or hoop houses, are temporary structures that extend the growing season. (*http://articles.extension.org/pages/18358/introduction-to-high-tunnels*)

fruits and vegetables, and a variety of fruits and vegetables. We want to get people excited about eating healthy food. And it is everybody, which is why in Brighter Bites we work with the entire school, and we work with the entire communities that we are in, and we are linking these behaviors and these environments that the child spends a majority of their time in, and that is what we need to do to move these social norms towards——

Mrs. WALORSKI. Right. Yes. And I appreciate that, but I guess to respond to Representative McGovern's point, I don't look at this as just the issue of throwing more money into a situation just by saying, "Hey, if we throw more money at this, it is going to be better." Statistics in this country prove that is not true. It is a behavior modification. And if that is the case it is the same behavior happening all over this country. Couldn't we do better then, modeling some of the things that you all have done, but being able to do that, which really integrates Internet and apps and the things that kids are going—and the things our whole country is accessing?

Dr. WISDOM. Right. That is an excellent question, and we are using the core funds of SNAP-Ed to help drive policy systems and environmental change in many dimensions.

Let me just give you a few examples in terms of messaging for the general population. We message with our SNAP-Ed families, the 5,210 messages around the consumption of fiber, more fruits and vegetables per day, 1 hour physical activity, non-recreational screen time, limiting it to 2 hours or less per day, 1 hour physical activity, and zero sugar-added beverages. We take that messaging and we work with our SNAP-Ed-eligible families, but we also disseminate that same messaging in our faith-based organizations, in our clinic settings with our students. So we do that in multiple ways.

Mrs. WALORSKI. I have to stop you there because I am out of time, but I appreciate it. Thanks so much for you all being here and for your expertise.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentlelady's time has expired.

Ms. DelBene, 5 minutes.

Ms. DELBENE. Thank you, Mr. Chairman. And thanks to all of our witnesses for being here today on this important topic, and for the work that you are doing.

We were talking about the challenges of the amount of the SNAP benefit, and the expense of fresh fruits and vegetables and the challenges that that poses, and also the perishability and how critical it is, if you do have access, that you are able to use it right away.

I wanted to ask you, Ms. Foerster. I know the dieticians recently published a report on food waste, and so I was wondering if you could tell us a little bit more about what is being done to educate consumers on food waste, and how can states do a better job? I know we have been focused a lot on composting in my region, in Washington State, but also making sure that a food can be used right away is also important, especially when you have limited resources. So I would love your feedback.

Ms. FOERSTER. Thank you for the question. We are teaching people that all farms fit. So whether it is fresh, frozen, canned, or

dried, that all the fruits and vegetables are beneficial for health. We do, in terms of menu planning, perishability is an issue if people are only shopping once a month because that is when their benefits come in, then they do need to be helped to figure out how to have their fruits and vegetables last through the month, and how to balance. This is where the corner stores having an adequate supply of fruits and vegetables at a reasonable cost and quality really comes in. But in terms of the fruits and vegetables, I think that that is an area that people really want the fresh fruit and vegetable access.

We do have a job to do in frozen, and also people do have challenges sometimes with their refrigeration and freezing capacity. So there are a lot of other barriers that have to be dealt with.

Ms. DELBENE. Yes. Do others have feedback on what we can do to help address food waste?

Dr. SHARMA. In Brighter Bites, we work with the local food banks and with our for-profit partners, like Sysco Foods, to help aggregate the produce that would otherwise be discarded. They have an ongoing relationship with the farmers, and we optimize that relationship to then get the produce to the food banks. And then we work with the food banks and leverage their infrastructure, to then purposefully channel this produce in a continuous way using a co-op concept, so we engage the families and empower then, and then get this produce for a continuous 16 weeks in the school year.

We use schools because it is a trusted venue for parents to come and engage with the school as well. From a food waste perspective, again to answer your question, it is leveraging on the expertise of for-profit and other nonprofits that we have been able to now push out over 8 million pounds of produce to our families.

Ms. DELBENE. Yes. Thank you.

Dr. BRITT-RANKIN. It is also important to think about the education side of this. Eating fruits and vegetables in-season when the costs are lower, knowing the portion size that we have addressed earlier, talking with our partners about aggregation. It is a holistic approach that, not just one agency, but we are going to have to work in concert together to address the food waste issue.

Ms. DELBENE. One of the other things that we have done in our state is, when there is waste, to help educate families about composting, and we actually have composting in our cities, so it is all used together, but it has brought people closer to understanding agriculture and the process, and how they can be more involved in that awareness about agriculture and what our farmers are doing has been very, very important in terms of broad education on how our food comes to our table.

Ms. FOERSTER. Well, and if I may add, food policy councils typically will be dealing with food waste on a large scale. Whether it is food waste from restaurants or unused food from supermarkets, that kind of thing, whether it goes into a food bank system or it does have to be composted for energy, that is a lot of what food policy councils do deal with. So it goes from seed to composting, I suppose you could say. And that is going to vary a bit around the country or around different communities, but that is part of what

SNAP-Ed does, trying to assist on behalf of low-income communities.

Ms. DELBENE. Thanks. My time has expired. I yield back, Mr. Chairman.

The CHAIRMAN. The gentlelady's time has expired.

Mr. Newhouse, 5 minutes.

Mr. NEWHOUSE. Thank you, Mr. Chairman. Welcome everyone. I appreciate you being here to talk about this important issue.

I just had a couple of questions for all of you, to begin with. More and more we see industry initiatives that are designed to give consumers more options to help people make better-informed choices. Some examples could include lower calorie options or smaller portions, or something that I have heard of, the facts up-front, which list calories, fat, sodium, the things that people are interested in, on the packaging itself.

How do you guys see this working with other nutrition education efforts, and what are your thoughts on these voluntary programs, and can they be effective with SNAP recipients? And we will start with you, Dr. Wisdom.

Dr. WISDOM. Well, thank you for that question. And certainly, consumers are receiving more and more options in terms of what is available to them. What we have been doing is identifying ways that we can, for one, increase the healthy options that they have available to them. Through our efforts, we do grocery store tours, we have farmers' markets, in order to help them, not just educate them about what are the healthy options, but to ensure that they have the ability to access those healthy options, because oftentimes people make choices based on what is available to them. They have limited options, and we try to expose them to as many options, and have them pick the right option in that particular setting.

Mr. NEWHOUSE. Thank you.

Ms. FOERSTER. I work closely with table grape industry, and one of the things that we do need to do there is do more of our marketing and promotion aimed at low-income audiences. Typically, the marketing that is done is to a more middle-income marketplace. And so the market segmentation to reach low-income consumers or consumers that don't speak English, for example, that is a really important thing to be doing, promoting the food not just making it, so that there could be cross-promotions as well. We have done that with WIC in California, where shelf markers can point people from the WIC foods over to the produce section, or the produce section back to the milk section, that kind of thing, to augment and bring alive the combinations and trying to get healthier foods in a real way, not just producing them, but promoting them, marketing them, pricing, cross-promotions, those kinds of things are all important things that can be done, targeted to low-income audiences.

Mr. NEWHOUSE. In a more coordinated way.

Ms. FOERSTER. Yes.

Mr. NEWHOUSE. Yes.

Ms. FOERSTER. Yes.

Mr. NEWHOUSE. Thank you.

Dr. SHARMA. Thank you for the question. It is such an important concept of educating your consumer. Right? So in Brighter Bites,

the families actually get 30 pounds of fresh produce every week. And so they get a risk-free trial to try eight to 12 different kinds of fruits and veggies in their bags. And then while they are getting the food, we also work with them on how do you read a label, right, how do you read nutrition facts labels. And so on one side, they get to try these foods and develop a taste for it, so you are creating demand for a product.

Mr. NEWHOUSE. We hope.

Dr. SHARMA. Right.

Mr. NEWHOUSE. Yes.

Dr. SHARMA. And then you are making them a more informed consumer of that produce so they can use the SNAP dollars, and when they go to the grocery store they can then buy the fruits and veggies and the foods that they know that their children now eat.

We had a mom: just a quick story. We had a mom who told us that she wouldn't buy Brussels sprouts because she didn't know if her kids would like it. But through Brighter Bites, she now knows her kids like Brussels sprouts. So even when she doesn't get it through our bags, she goes to the grocery store and buys it.

Mr. NEWHOUSE. Good. Good.

Dr. BRITT-RANKIN. I would just add that the education of how to read the labels, as we are seeing new labels, so we do create informed consumers. But, especially in this population we have found, partnering with Feeding America across the country is doing grocery store tours. We see a lot of marketing dollars. There are more marketing dollars than there are nutrition education dollars. Taking people into those places where they are going to make choices, whether it is a supermarket or whether it is a farmers' market, and providing them hands-on information, be able to compare and contrast products so that they can make those choices then long-term, even when they have graduated from the program, they have moved off SNAP, they are continuing to make those choices, and we need that hands-on education.

Mr. NEWHOUSE. So we are actually seeing some changes in behavior in purchasing as a result. That is great.

Dr. BRITT-RANKIN. Yes.

Mr. NEWHOUSE. My time has expired. Thank you very much again. And thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Ms. Fudge, 5 minutes.

Ms. FUDGE. Thank you very much, Mr. Chairman. And thank you all so much for being here today.

There is an old saying that people would do better if they knew better. I think that it is especially important that you are here to talk about SNAP-Ed today, because I do believe that people do better when they know better.

Dr. Wisdom, in your written testimony you mentioned that many of the communities where SNAP recipients live are considered food swamps. Please take a moment to explain how food swamps differ from food deserts.

Dr. WISDOM. Thank you for that question. Food deserts, I will start off with that, is considered where there is a dearth of food for individuals to easily gain access to them. When we talk about food swamps, and oftentimes it is in some communities a myth that

there is truly a food desert because it is a matter of people not having access to the food when they need it. So there is plenty of food but it is an access issue.

When we talk about food swamps, it is more the aspect of having a plethora of fast food restaurants, of corner stores where there is a lack of receiving that healthy and nutritious food. So there are a lot of eating venues where individuals can access, however, they are not healthy, so we call those food swamps.

Ms. FUDGE. Like most poor neighborhoods in urban communities.

Dr. WISDOM. Exactly.

Ms. FUDGE. Thank you.

Dr. WISDOM. Sure.

Ms. FUDGE. Dr. Britt-Rankin, I am a proud graduate of the Ohio State University, Ohio State University and Case Western Reserve University have collaborated to develop a tool based on best practices that would help determine which policy system or environmental intervention would prove most effective for a community. Tell me how important that is.

Dr. BRITT-RANKIN. I think that is very important. First of all, we are leveraging the expertise of two great institutions, but it is going to create a tool, an online tool where communities can assess where they can be most successful. They are going to be able to utilize that data to understand which strategies will address the needs that are in their local communities. So they are really going to tailor this program to their specific neighborhood and community.

Ms. FUDGE. I hope to see more of that across the country. I think it is especially important, especially in districts like mine.

Dr. BRITT-RANKIN. Yes.

Ms. FUDGE. I am just going to throw this out. In the Healthy Hunger-Free Kids Act, it expanded the whole purpose of SNAP-Ed, right, to include public health-based approaches. Talk to me about the focus of this whole concept. Just anybody, whoever wants to address it, please feel free.

Ms. FOERSTER. Thank you for that opportunity. The Healthy Hunger-Free Kids Act really came out of the expressed experience of states as they provided nutrition education and social marketing, and kind of went up the trail as to what else was needed and where were the gaps in the program. We knew we needed to do more about physical activity before, that is the flipside of obesity.

Ms. FUDGE. Sure.

Ms. FOERSTER. So we got involved in that. More on obesity prevention. And so when you do that, you go upstream to the environment that we have been talking about and realizing that all of those factors that people live in and experience, and it is all of us, it is not solely low-income people, but the resource is so much lower in low-income communities, and some of the adverse environments are so much harder, that we really needed to focus in a way that the Healthy Hunger-Free Kids Act outlines. We are focusing now on organizational change, whether it is schools, churches, worksites, and so forth, and we are focusing on community-wide change, and on state-level change, so that Departments of Education are working with Departments of Health, are working with extension, working with Indian Tribal organizations and so forth, we are all

really trying to pull together. And when you look at that, you see these 51 indicators that we have been talking about that represent what we think SNAP-Ed can stimulate. We are not going to do it ourselves, we are going to do it with others. But we are going to provide a kind of a backbone for this kind of work. We are here permanently. We are not going to be a 3 year grant or a 5 year grant, we are going to be there to keep the ball rolling, because this is long-term work.

Ms. FUDGE. Thank you very much. My time is about to expire. Thank you, Mr. Chairman, I yield back.

The CHAIRMAN. The gentlelady yields back.

Dan Benishek, 5 minutes.

Mr. BENISHEK. Thank you, Mr. Chairman. Sorry I am late. I was at another hearing.

Dr. Wisdom, I am from Michigan too, and actually, I trained a little bit at Henry Ford, probably before you were born, but tell me more about Henry Ford's partnerships with community and faith-based organizations, and how far does this network extend through the state? I represent the northern half of Michigan, so I don't get down to the Detroit area too often myself. Can you tell me about that a little bit?

Dr. WISDOM. Sure. I would be delighted to talk about that. Henry Ford Health System's effort is located primarily in Detroit, in Macomb County, and it addresses the individuals primary in the area. However, if we look at the entire state, and that is the Michigan Fitness Foundation that leads all 49 programs that are occurring across the state, including in the Upper Peninsula, what that network or consortium of sorts does is we learn from each other. So the efforts that are occurring at Henry Ford, we use the Cooking Matters model, we are in many, many schools, we are in faith-based organizations, we are in neighborhood service organizations, we are in homeless shelters we are in a lot of settings.

Mr. BENISHEK. Let me ask you a question, and this maybe somebody else would like to comment too on this issue, is that the level of knowledge amongst the people that you reach do you have any assessment of that? I mean as far as nutritional content of meals, sometimes it seems to me that people don't have enough information, or they don't know enough about how to make a nutritious meal and they end up—not that I disparage fried food so much, foods that aren't maybe consistent with the protein and nutritional requirements. Is there any way that you assess that knowledge as you do these educational endeavors?

Dr. WISDOM. Yes. Through some of our assessments, we use that pre-post design where we assess them before the intervention, and then we have six sessions; four of which are cooking classes, where we bring a student and a parent or a caregiver together and they learn how to cook a meal together, including cutting onions. We keep the classes to about 20. And then we give them, through the leveraging the dollars of Henry Ford Health System, we give them a $10 bag of groceries to replicate that same recipe at home with their family.

So we do see that and we have those sessions, and then a grocery store tour as well in order to help the families understand and that pre-post design we find an improvement in the outcome.

Mr. BENISHEK. Dr. Sharma, you seem like you are interested in giving a comment there. I am kind of interested in what is the pre-educational level of understanding amongst the people that you see?

Dr. SHARMA. Yes, we did a nonrandomized control trial in 760 low-income families that——

Mr. BENISHEK. A nonrandomized trial?

Dr. SHARMA. Yes, a nonrandomized trial. It was a cluster randomized. It wasn't randomized at the individual level. And we found that at baseline, these were first-grade children, and they were eating less than one serving of fruit and ½ a serving of vegetable a day, and less than ½ a serving of whole grains. And the frequency of cooking at home was less than 2 days a week. The frequency of cooking, and their understanding of using nutrition facts labels to make a purchasing decision, and using it in their shopping behaviors was also very low. So it was translating the knowledge part and the behavioral part were both starting at low levels.

Mr. BENISHEK. What were they eating then if they weren't making food at home?

Dr. SHARMA. A majority of their calories, in our sample, a majority of their calories—we excluded french-fries when we computed the vegetables, french-fries actually constituted a majority of the vegetable intake, and added sugars.

Mr. BENISHEK. Purchased french-fries, not even homemade french-fries.

Dr. SHARMA. We weren't able to distinguish that part.

Mr. BENISHEK. Duck fat french-fries.

Dr. SHARMA. But, we asked them about fried potatoes and french-fries, and that was a majority of the vegetable intake. And there was also a high intake of foods that had added sugars, and processed food.

Mr. BENISHEK. All right. It seems as though I am just a little out of time. Thank you, Mr. Chairman, for allowing me to ask the question.

The CHAIRMAN. The gentleman yields back.

Ms. Graham, 5 minutes.

Ms. GRAHAM. Thank you, Mr. Chairman. And thank you all so much for being here today.

I represent the north part of Florida, it is very rural. I don't know, but I guess it is both a food desert and a food swamp in different areas. My background: I worked in a school district in Tallahassee, and we served about 30,000 students, and I was always frustrated with having students come in, pre-K or kindergarten, and I kept saying to folks we really, really need to get to these kids earlier. We need to get books in their hands earlier, we need to be working with families younger, recommended having a program where we worked with the hospitals. And as I am listening to this discussion, that same concern that I have, and, Dr. Sharma, you just actually gave me a great segue, that by the time kids get to school, their eating habits have already been established. And the birth of a child is such a new opportunity for families, and they would be open to wanting their children to eat as healthy as possible.

Are there any programs that are getting to families at the earliest ages in the hospitals or when children are born? Thank you.

Dr. BRITT-RANKIN. I would not say when they are born and in the hospital, but we have worked extensively across the country in extension, working with trying to get childcare providers, preschool, childcare providers to offer healthier options, to involve the children, to provide education. Many of our programs also use reading programs. So as you are reading books to children and they are beginning to read, many of those books are on healthy eating practices. And we follow that up then with education with their parents. I do believe that research will show you that most of our eating patterns are established by the age of 7. Addressing the preschool age is also important.

Ms. FOERSTER. Yes, I would like to mention a program that Arizona SNAP-Ed created, and that was in working with their Social Services Department, which was upgrading the licensing standards for daycare facilities. There was an increased fee that was associated with it, but the state forgave that increased fee if the licensee would agree to certain standards related to nutrition and physical activity.

We, in California, developed a self-assessment tool for daycare providers to use to see what they were doing, starting with breastfeeding, could they handle a breastfed child, all the way to gardens, to having water, engaging activities for the children, and so forth. So there are some proven effective models that are in our toolkit.

North Carolina has done some things too. One of the factors that we have in our framework is the degree to which daycare programs are adopting these kinds of self-imposed standards. They are not regulatory, but they are sort of going over and above whatever the licensing requirements are.

Dr. SHARMA. Brighter Bites, the program that I am representing, the organization, we actually do operate in Head Start centers, so starting with early childhood, and we are partnering with University of Texas physicians actually to pilot Brighter Bites with pregnant women and women with infants, because you start with pregnancy and establish those healthy patterns in the mom, it is going to affect the unborn child and their trajectory later in life.

Dr. WISDOM. And at Henry Ford, we have done the same thing. We are working at daycare centers, but also we have just most recently implemented a centering pregnancy model, incorporating community health workers where women come in for prenatal care as a group, and that is a perfect opportunity for now for us to layer in among those under-served women the SNAP-Ed education program.

Ms. GRAHAM. Well, that is terrific. I have heard, Dr. Sharma, you have a program that you are working with. I would love to follow up with you and get some more information, and as well as you, Dr. Wisdom. And it is good that we are doing this. We are missing an opportunity to work with prenatal care, as well as at the earliest stages in the hospital when women are there, and families and parents, and husbands and partners, to have them want to get their children off on the best eating path for the rest of their life. So maybe that is something we could consider, is finding hospitals

that would be willing to pilot some sort of a program across our country.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentlelady yields back.

Ms. Kuster, 5 minutes.

Ms. KUSTER. Thank you very much, Mr. Chairman. And thank you so much to all of you for this conversation. It is vitally important to the well-being of our future and our children.

I am curious, in this whole discussion, our society has changed so much and we are oftentimes dealing with families, particularly low-income families, that may be working multiple jobs, that may have difficulties with transportation. I come from a rural district, so sadly, there are places where you have to travel a long way to get healthy food. The sad part is that these are areas where we used to grow the food in the backyard, but people literally just don't have the time or the inclination, or the education.

I am wondering if you have found ways to help families cope when time is the resource that is missing in their life. We can talk about teaching them to make recipes, but I am a working mom, and when I was raising my two kids and taking care of my mother with Alzheimer's, and my husband and I were trying to get back and forth to work, and the doctor and the dentist and the baseball game, and get the homework done. It is hard to have time, it is hard to buy fresh ingredients and have them still fresh by the time you get around to a day when you do have time. So this is a sort of open-ended question, but for any of you. I will just add, I feel as though the grocery industry is responding with vegetables that are precut, salads that are mixed in a bag, because if you are limited in funds, you don't want to waste money on half the vegetables that you won't get to.

So if you can just respond, how can we be helpful in encouraging the industry, agriculture generally, to get to the place where consumers' lives are really at?

Dr. BRITT-RANKIN. I will jump in.

Ms. KUSTER. Thank you.

Dr. BRITT-RANKIN. I would agree with you. I think that is one of the strengths that we see across the land-grant system of having faculty in almost every county in the state, across the country. And meeting people where they are if you are working two and three jobs, you may not be up to coming home and fixing a full dinner. One of the things that we have addressed is we also see pantries that say we don't have fresh. Is there a way people can eat healthy even if it is frozen or canned. And so it is providing the information: one of the earlier questions mentioned technology. Can we incorporate technology. So we are educating, when people are at the point that they are ready to learn, and how do we address that at all levels. It is very important to think about, we don't want people to feel that they are failing if they are not at home.

Ms. KUSTER. Right. I think that is what I am saying is let's not layer on the guilt to the working mom because she is not making the sliced potatoes au gratin from scratch, or whatever.

Dr. BRITT-RANKIN. Yes.

Ms. KUSTER. And by the way, when you mentioned that about the fresh, we have done a number of events that are very well re-

ceived during the season when fruits and vegetables are available in our farmers' markets and the two-for-one SNAP benefits is really great, and gives the farmers some reliability too. It improves their marketing.

Dr. BRITT-RANKIN. Yes.

Ms. KUSTER. Yes, anyone else want to add? Dr. Sharma?

Dr. SHARMA. Thank you for this important question. And just to add to what Dr. Britt-Rankin said, with Brighter Bites we really want to elevate the environment that the family and the child lives in with the school and the home. We work with the schools so the families and the children are exposed to a healthier environment while they are there. But we actually send the produce home, so the kids get 30 pounds of fresh produce every week. So the families then get to try this risk-free. And then working with the families to develop skills; how do you cut mushrooms. One of the moms, actually, this is a true story, a couple of years ago there was a mushroom, we sent mushrooms and the parents didn't know, what do I do with it.

Ms. KUSTER. Sure.

Dr. SHARMA. Right.

Ms. KUSTER. Sure.

Dr. SHARMA. So we worked with them on how do you cut it, store it, and effectively use it in a one-pot recipe that can last you a few days in your refrigerator, and that canned, frozen are equally nutritious as fresh. When you are going shopping and using your SNAP dollars, that you can make those substitutions that works for your family. We have to empower our family so they can make the healthier choice. And we have to make the healthier choice, the easier choice.

Ms. KUSTER. Well, the trick for me as a working mom was the crock pot. So maybe if we just give every family a crock pot. And I used to call her Ms. Crocker, when I would come home with the kids and the house smelled great, and I would pretend that I had a housekeeper named Ms. Crocker. So thank you very much.

Thank you, I yield back.

The CHAIRMAN. The gentlelady's time has expired. Thank you.

Well, witnesses, thank you very much. It is clear from the testimony that you have touched on almost every jurisdiction of our Committee. From farmers selling more fruits and vegetables, or the food waste issue we had a hearing on in May, where you have Sysco gathering up perfectly fine nutritious vegetables that just aren't pretty enough to be sold at the local H–E–B. As well as the work that they are doing with SNAP recipients. Your work is really impressive. It also illustrates there is no one-size-fits-all program, no solution that can be developed here in Washington, D.C., that we can cram down the throats of everybody out there; that we really need this opportunity for you to be innovative and to work with what works with your particular populations, your particular circumstances.

We didn't talk much about rural America, which I represent, most of District 11 is rural. They have their own particular challenges. I am aware of one program where they, at least once a month, set up a common distribution point in the rural countryside where they will bring in fresh produce and vegetables that families

can take home. Again, trying to tailor programs according to the circumstances their community members find themselves in.

I would also like to include in today's record a hearing testimony from the Land-Grant University SNAP-Ed Program Development Team, PDT, which includes family and consumer science program leaders and other university administrators, SNAP-Ed coordinators, an office manager, NFIA representative, who are committed to improving the consistency and effectiveness of SNAP-Ed programming through cooperative extension, and addressing national health and nutritional-related programs facing low-income populations. Apparently, a paid commercial for the extension program.

[The information referred to is located on p. 803.]

The CHAIRMAN. David Scott talked about what is probably the most important thing, and that is how do we measure success and how do we define success. We track all kinds of metrics that are important. I am not convinced that the number of folks served or the pounds served, while important, give us a sense of the scope of the issue. I am not convinced that those necessarily are metrics for success. We do need to define those metrics, and track them. We also have to put in expectations for how long something should take before we see an impact. No program will cure obesity overnight. They didn't become obese overnight, and they are not going to get to a healthy weight overnight either. It is important to understand that point because, as Mr. McGovern and others have said, "We will face limited resources in 2018 when we begin to authorize the farm bill." Having your testimony today and the successes that you have been able to share with us, particularly the young woman who was directly affected by the program where she spent a summer doing the right things for her, not because anybody instructed her to, but because she was motivated by the interactions she had, and the peer pressure to better herself more than she was, and then that next fall she was a part of the activity programs that are going on. And that, at least in that anecdote, you can describe that.

My colleague from New Mexico has joined us just in the nick of time. So, Ms. Lujan Grisham, if you have questions for 5 minutes, you are recognized.

Ms. LUJAN GRISHAM. And I will be brief. And I really appreciate your recognition, Mr. Chairman. And we tease each other. It is more productive for a Member like me to be here for the whole hearing, I have a couple of other hearings today, but this is an issue that is really important not only to me personally as a Member, but certainly to my state. And the Chairman is very gracious to give me every opportunity to engage.

And as we are talking about what we can do to make sure, and, of course, I offered an amendment to stop the elimination of SNAP-Ed funding, and I know that we have issues in Congress to deal with, our priorities and how we adequately fund them, but from my perspective, and certainly from my state's, where we have persistent poverty and some of the hungriest populations, including the hungriest children in the country, it is an issue we have to address.

And I have two things I want to say quickly, and then just ask about the evaluation of health outcomes through investments in

SNAP education. First, Mr. Chairman, I visited a school in my district and I participated in a SNAP education program that was also a cooking program, and I met a young student, probably a first-grader, maybe a second-grader, and they were using fresh tomatoes that had been either grown right at the school or donated by one of the connecting farm projects. And this child had never seen a fresh tomato. Had no idea what it was. And I take that for granted every single day. I knew what tomatoes were, I can guarantee you, as a toddler, and I have an 11 month old grandchild, and while some of the more acidic fruits and vegetables are not all that recommended, she has access to every kind of fresh fruit and vegetable. And so it is not something that occurred to me, and it really hit home about how valuable it is, if we want to encourage healthy outcomes and change behaviors, and give people the tools that they need, with the benefits that we are providing. There is a program called CHILE (Child Health Initiative for Lifelong Eating and Exercise) in New Mexico, which is a SNAP education program, that really is showing that we have better health outcomes.

The second issue, and I don't know that you can tie both of these together quickly, but, I do the SNAP challenge as a Member of Congress, and I can tell you—I tell this story all the time, there is no way for $1.50 a meal I can get the kinds of things that are nutritious. So if we don't do something about that, then we can do lots of education, we can partner up with grocery stores, but in the end if you don't have the resources to afford that, even with farmers programs that are involved, you aren't going to have a healthy, nutritious meal as a result. And that is our bad, in my opinion.

So talk to me about health outcomes, evaluations, and how we can drive those benefits up.

Ms. FOERSTER. So that is the area that we are working on across the country with the land-grants and with all of the SNAP-Ed implementing agencies. And there is no one solution that is going to create those health outcomes. That is why we are trying to take a holistic approach with a socio-ecological, as well as direct education approach. And it is going to take a while. So what we are trying to do is create, or we have created, short, medium, and long-term outcomes so that states themselves can track how they are doing. We can compare notes, we can figure out what we are doing together.

Partnerships with foundations, with hospitals, with all kinds of other stakeholders, that is something that we hold ourselves accountable because we cannot do it on $400 million. And so we are trying to give those kinds of data that will lead to the population changes.

My own belief is that some of the more positive results that are starting to accrue for young children, very young children, are probably a combined effect of the programs that we see.

Ms. LUJAN GRISHAM. Like CHILE in my state, which has really partnered with Head Start, so it starts early.

Ms. FOERSTER. Exactly. And then the other kinds of daycare programs, the WIC Program, and so forth. I think that we are going to be seeing some changes, it is way easier to deal with obesity before it happens, so we are going to be seeing changes in school-age kids before we are going to be seeing changes in adults. And we

just have to be realistic that once somebody gains weight, it is very hard to get rid of it. The expectations that were mentioned earlier, we really have to put that together, and to recognize that this is a very big problem. It is something that only the collective impact of all of us pulling together at the food assistance programs, but also the foundations, the CDC programs, the nonprofits, all of us are going to have to be pulling together toward the same important things. And that is really what we have been trying to do with the framework is identify what are the most important things for low-income communities, low-income people, that we can all pull together, because there is so much that needs to be done. We have narrowed it down to 51 things.

The CHAIRMAN. The gentlelady's time has expired.

Again, I want to thank our witnesses for being here today.

Under the rules of the Committee, the record of today's hearing will be open for 10 calendar days to receive additional material and supplementary written responses from the witnesses to any question posed by a Member, or to any additional information you would like to provide us with respect to our subject matter.

This hearing of the Committee on Agriculture is adjourned. Thank you.

[Whereupon, at 11:48 a.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED STATEMENT BY HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS; ON BEHALF OF PAT BEBO, M.S., R.D.N., OHIO STATE UNIVERSITY EXTENSION; ON BEHALF OF SNAP-ED PROGRAM DEVELOPMENT TEAM, LAND-GRANT UNIVERSITY COOPERATIVE EXTENSION

Mr. Chairman, Ranking Member Peterson, and Members of the Committee, it is an honor to be invited to submit this written testimony for the record on the Supplemental Nutrition Assistance Program-Education (SNAP-Ed). I submit this testimony as a representative of the Land-grant University Cooperative Extension SNAP-Ed Program Development Team (PDT). The SNAP-Ed PDT serves as an ongoing advisory board for national Land-grant University Cooperative Extension Service (CES) Leadership. Team members use their experience, communication, analytical and critical thinking skills to strengthen Land-grant University (LGU) based SNAP-Ed programs and other nutrition networks at the state, regional, and national levels. They also identify linkages that can be forged to support the land-grant university system's broader outreach and engagement, education, and research mission.

I currently serve as a member of PDT, and am the Ohio State University Extension Interim Assistant Director for the Family and Consumers Sciences Program, which includes SNAP-Ed and Expanded Food and Nutrition Education Program (EFNEP). I hold a Bachelor's Degree in Exercise Science from UMASS Boston, a Master's Degree in Nutrition from Framingham State University and I am a Registered Dietitian/Nutritionist. Previously I served as Regional SNAP-Ed/EFNEP Program Leader with the University of Massachusetts Extension, serving the lower southeast region of Massachusetts.

SNAP-Ed Past

SNAP-Ed as a program has a long history beginning with the 1977 Food Stamp Act in response to bipartisan calls for reform.

- 1977 Act's language was a requirement for nutrition education based upon the EFNEP model.
  - "USDA to extend the EFNEP to the greatest extent possible to reach FSP participants." "USDA to develop printed materials specifically designed for persons with low reading comprehension levels on how to buy and prepare more nutritious and economic meals and on the relationship between food and good health."
- 1981 Food Stamp and Commodity Distribution Amendments of 1981.
  - "To encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants . . .".
- 1988 Hunger Prevention Act.
  - Authorized Food Stamp Nutrition Education Program (FSNEP) as an optional administrative expense funded through state/local match that would qualify for Federal Financial Participation.
  - Pilot FSNEP begun through University of Wisconsin Extension.
- 1990 Mickey Leland Domestic Hunger Relief Act.
  - Authorized the Secretary to assign nutrition education of eligible households to the Cooperative Extension Service.
- 1992 Seven LGUs, via Extension, delivered FSNEP programming.
- From 1995 to present FSNEP was expanded to all 50 states and D.C., implementers are from a variety of public and private organizations based on state agency decisions; today 33% of all SNAP-Ed programs are implemented by LGUs, the largest single implementer; clearer missions and goals for the program were established; state plans with specific programming and evaluation outlines required; FSNEP was renamed SNAP-Ed after the name of the food stamp program was changed to SNAP. Other programmatic, evaluation and funding changes have been noted in other submitted testimony.

Clearly CES has a long, productive relationship with SNAP-Ed, from the program pilot to its current structure. Since 1914, the core mission of CES has been to improve the lives of people of all ages and from all walks of life through education—taking the university to the people, in rural, urban and suburban communities throughout each state, the District of Columbia, and U.S. territories. America's land-grant universities have the knowledge, expertise and infrastructure needed to help address health and nutrition issues. Through county Extension offices, univer-

sities have the community presence and local credibility needed to influence the social, economic, and environmental determinants of health. Evidence-based interventions, deployed in ways that are respectful of community individual and family norms, beliefs, and current practice have been shown to keep people healthy, and delay or prevent the need for medical care, (Cooperative Extension's National Framework for Health and Wellness, 2014).

Cooperative Extension works with public, specifically the USDA National Institute of Food and Agriculture (NIFA), and private sector partners and the LGU system to integrate research, education, and Extension perspectives to address critical issues. Families at risk, and individuals with limited financial resources, are a key target audience.

SNAP-Ed differs from EFNEP. The EFNEP model, developed in 1969, is a strict direct education model. Trained paraprofessionals deliver a prescribed series of nutrition education lessons to a prescribed audience—low-income families with young children and youth. EFNEP over the years has developed standard outcome measures that have allowed the program to show change across the country with a national online reporting system.

The SNAP-Ed audience first and foremost includes SNAP recipients through the lifespan from birth to seniors. This includes adult individuals and those with families and youth from preschool to high school. SNAP-Ed is a program that works cooperatively in states with oversight from state SNAP agencies and USDA Food and Nutrition Service (FNS). FNS, starting in 1995, began to layer in multi-level activities understanding from research that direct education on its own cannot bring about long-term change. This was evidenced by the development of grants to establish social marketing nutrition networks.

In 2010, the Healthy, Hunger[-]Free Kids Act (HHFKA) redirected SNAP-Ed to create a new grant program with a focus on interventions that not only included direct nutrition education, but also physical activity, obesity prevention, and community and public health approaches to the SNAP-Ed framework. The act also removed the match component of the program which expanded opportunities for implementing agencies to collaborate with agencies and programs that were prohibited in the past, including state SNAP agencies. In 2007, the cost of the program with match was $½ billion. The HHFKA capped the program at $400 million and redistributed funds to states based on a formula that includes state SNAP participation.

Currently SNAP-Ed reporting consists primarily of short term and some medium term outcomes, but strong research evidence, as noted in the Academy of Nutrition Evidence Analysis Library, indicates that effective intervention strategies have been identified to assist food-insecure individuals in meeting their nutritional needs that includes multi-level interventions with nutrition education. In addition research shows that direct nutrition education interventions, such as those provided by SNAP-Ed, have been shown to increase food security among low-resource audiences.

SNAP-Ed Present

Starting in 2002, the PDT has periodically published a report on the progress on the provision of nutrition education, evaluation and outcomes as they relate to LGU implementation of the SNAP-Ed program. (*https://nifa.usda.gov/snap-ed-lgu-reports*) A 2015 report is in final approval phase. Since the first LGU SNAP-Ed national report was completed, FNS has developed an annual data collection system for SNAP-Ed providers called the Education and Administrative Reporting System (EARS). To simplify data collection by states, the second LGU SNAP-Ed national report incorporated selected elements of EARS where feasible for the Community Nutrition Education (CNE) Logic Model framework that was used to collect the data.

While not the only SNAP-Ed implementers, LGU's bring unique strengths and contributions to SNAP-Ed. LGU SNAP-Ed provides direct access to researchers studying childhood obesity, healthy lifestyles, nutrition education programming and curriculum, and public health approaches to policy, system and environmental (PSE) change. In addition, LGUs, as part of their mission, are experts at translating current research into educational messages and programs targeted to specific audiences.

The rich history of needs assessment and community engagement, being rooted in communities throughout each state, and engaging community stakeholders and participants through advisory groups, makes LGUs and Extension a unique and impactful partner. The research based education in collaboration with other Extension program areas (Family and Consumer Sciences, 4–H Youth Development, Ag and Natural Resources, and Community Development) and state and community stakeholders creates a synergistic multiplier effect in urban as well as rural environments.

SNAP-Ed is community-based programming that follows the socio-ecological approach of change considering the impact of programming in the context of individuals and families, their communities, and the policies, systems and structures that affect their lives. *Julie S. Sexton (2013) "Supplemental Nutrition Assistance Program Education through Land-Grant University System for FY 2010: A Retrospective Review." Page 7.*

LGU SNAP-Ed is rooted in four primary domains as shown in *Figure 1* that form the basis for all program plans.

Figure 1. SNAP-Ed Program Domains

The 2015 LGU direct education interventions reached 1.8 million people with 94% of clients participating in SNAP. Direct education is community focused, based on needs assessments and is learner centered and behavior focused for the most impact. SNAP-Ed Federal guidance ensures that the direct education model, based on the *Dietary Guidelines for Americans,* includes hands-on skill building lessons on basic cooking as well as nutrition.

Massachusetts direct education focused on youth:

- UMASS Extension SNAP-Ed's major focus for Direct Education is providing lesson series to youth in schools with community eligibility or >50% eligible for school meals. This focus helps to:
  - reach the greatest number of SNAP families in a cost efficient manner.
  - inspire classroom teachers to continue to focus on good nutrition and physical activity with their students.
  - create collaborations with schools that foster PSE activities/changes that directly affect SNAP families and amplifies the direct education.
- 35,439 school age youth were reached in FY 2014 and 52,879 were reached in FY 2015 with workshop series. Parents of the youth were reached through newsletters that follow up each lesson and engage the entire family. Curricula used included CATCH, Show Me Nutrition, and Team Nutrition.
- Evaluation results show that this SNAP-Ed programming resulted in the following statistically significant changes with youth, for both years:
  - Eating vegetables more often.
  - Eating fruits more often.

- Being physically active more often.
- Drinking sugar-sweetened beverages less often.
- Choosing whole grains more often.

Youth-focused nutrition education has been shown to have positive outcomes and increase the possibility for PSE changes as evidenced by the following University of Massachusetts outcomes.

- A sampling of school based PSE Changes include:
  - 96% of classroom teachers where SNAP-Ed is taught have reinforced the nutrition information with their students during other class time.
  - 82% of classroom teachers where SNAP-Ed is taught have made behavior changes such as healthier meal and/or snack choices and become more physically active themselves.

Indirect Education

Indirect education is also an important component of communicating with SNAP-Ed target audiences. In 2015, 18,542 indirect activities were carried out by LGU SNAP-Ed programs reaching over 103 million participants.

Michigan: Michigan Fresh:

Michigan Fresh, a Michigan State University Extension (MSUE) website, offers a range of educational resources to help people experience the state's locally grown fruits and vegetables, meats, and other locally produced products that can be bought at local farmer's markets. The website offers fact sheets that cover topics such as preservation techniques and safe storage for different types of vegetables and fruits, gardening tips and recipes. This information is offered in English, as well as Spanish and Arabic. Along with MSUE, Michigan Fresh works to educate minority groups, including tribal communities, the cognitively impaired and the hard of hearing, on the benefits of good nutrition. The program also provides tours of farmer's markets to help acquaint SNAP eligible individuals with the local, nutritional foods found at the market.

Social marketing through indirect education has been shown to have positive effects when combined with direct education. A study looking at the Iowa Nutrition Network's social marketing campaign, BASICS *Plus,* showed that gaining parents' attention and engaging them in healthy eating practices for their children can be a useful way to increase the effectiveness of school based education programs. (Blitstein, *et al. J. Acad. Nutr. Diet.* 2016)

Louisiana: Let's Eat for the Health of It:

"Let's Eat for the Health of It" is a social marketing campaign that was run by the Louisiana State University AgCenter Extension that focuses on increasing the public's awareness of the many benefits of diet that includes more fruits and vegetables, setting aside time for family meals, and increasing physical activity. Information was disseminated through billboards, posters, outdoor banners, brochures and other handouts. Overall, the goal was that increased exposure to this kind of information would help people select healthier foods and make other healthy behavior choices. A telephone survey of 600 individuals, post campaign, found that ½ of all survey respondents had been exposed to the campaign materials and that a majority of them expressed a readiness to adopt healthier behavior patterns.

Community Partnerships

As noted earlier LGU SNAP-Ed uses strong community relationships to develop impactful programming and create a forceful multiplier effect.

Washington: Mobile Food Bank Partnership with Second Harvest Food Bank:

Second Harvest Food Bank approached Washington State University (WSU) Extension SNAP-Ed in Spokane with a problem: they had too many fresh fruits and vegetables to distribute, and wondered if WSU could help them get the produce to SNAP-eligible individuals. WSU SNAP Ed partnered with Second Harvest and together they helped to increase access to fresh and healthy foods through Family Night events held at local schools, Summer Food Service Program (SFSP) feeding sites and outreach to low-income neighborhoods. Second Harvest was able to distribute fresh produce during the Family Night events via its mobile food bank. In 2015 these efforts culminated in reaching 3,000 families through 34 school sites and 500 families through the summer feeding sites. The mobile food bank was able to distribute over 1.3 million pounds of food through school visits, and 2,500 pounds at the summer feeding sites. The partnership with Second Harvest was so successful that Second Harvest dedicated a delivery van to be used exclusively as a mobile food

bank by WSU SNAP Ed. The success of this partnership also led to the expansion of the WSU SNAP Ed program to include produce tastings at local libraries, senior low-income housing, and the Police Athletic League Summer Basketball Camps.

Teaching children where their food comes from and multiplies the impact of Extension program areas by combining nutrition education with agriculture and youth development. Community garden projects are especially strong around the country and research has shown they can increase fruit and vegetable consumption among children. (Heim, *et al. JADA,* 2009)

Ohio: How Does Your Garden Grow?

A unique multi-organizational partnership has come together in southern Ohio using gardening to provide a valuable learning opportunity for under-served children in a 10 week summer program. The collaboration, involving Ohio State University Extension Ag and Natural Resources, 4–H Youth Development, SNAP, Scioto County Soil and Water Conservation District, Findlay Manor retirement center and the 14th Street Community Center, has established a community garden where youth learn about community service, gardening, and nutrition in an intergenerational program. Professionals met with the children at the garden three times per week where the children planted, weeded, watered, raked, and tended to their garden every Monday. On these "Measuring Mondays," each child would measure the height, number of leaves, blooms, and fruit of their own plant.

Not only did the children learn how to plant a garden but they also learned the importance of growing their own food, the cost effectiveness of planting a garden, working together, team building, nutrition, responsibility, confidence, the benefits of physical activity and following directions. Among several goals of the program was to teach children about nutrition and eating healthy. Children love to try new foods, when they have grown the food themselves and this can have a positive impact on lifelong eating habits.

Food Resource Management

Managing a food budget is especially important for SNAP recipients to make the most of their food dollars.

Texas: Better Living for Texans:

"Better Living for Texans" (BLT) is a statewide program serving 217 out of 254 counties in Texas, and is aimed at helping educate both children and adults on how to eat healthier while saving money on their grocery bills. BLT offers educational classes, newsletters and other services at no cost to the participants in order to provide up-to-date nutritional advice, particularly to SNAP recipients, so that consumers can make healthier food choices. The program has documented positive behavioral changes in its participants in many areas, including better food shopping and food budgeting practices, better food safety and the ability to prepare nutritious family meals.

Physical Activity

In addition to creating better eating behaviors, SNAP-Ed also focuses on physical education whether it is incorporated into nutrition education classes, part of a larger collaborative effort or a stand-alone program.

Alabama: Body Quest:

The child obesity program "Body Quest" was first implemented in 1999, and since then has become a 15 week, multi-level program aimed at reducing childhood obesity in third-graders. In FY 2015, the initiative was implemented with a treatment and control group of students and their parents. The treatment or intervention included social marketing, community coalitions, and parent and child engagement, among other things. The curriculum included materials and iPad applications with anime-style cartoon characters representing different healthy habits to help make the curriculum relatable to children. By the end of the 15 week period, treatment students reported eating more fruits and vegetables offered through the School Lunch Program compared to the control group. Parents of treatment group children were given easy to make, inexpensive recipes that incorporated more vegetables, and were given information and tips through a texting initiative. A post-survey texting poll found that 100% of parents who received the texts enjoyed them, and as a result treatment parents found that their third-graders ate an increased amount of vegetables per day compared to the control group.

SNAP-Ed is an accountable program. SNAP-Ed implementing agencies have regularly scheduled state management evaluations and audits and federally scheduled management evaluations and audits every 2 years. LGU SNAP-Ed distribution of funds for programming is focused in the community with 84% of all funding going to educational delivery staff, 7% devoted to administration and budget, 6% to pro-

gram leadership and accountability and 3% curriculum development and support staff.

In 2010, SNAP-Ed that was delivered through LGU Extension used fewer Federal dollars per participant than that delivered through other providers. This was an average, and was not necessarily the case for specific providers. There are often important aspects of SNAP-Ed delivery that underlie these figures, such as the challenging nature, and associated higher costs, of reaching particular constituencies with nutrition education. The table below shows SNAP-Ed delivery metrics for LGU Extension providers and the overall national average cost per participant. Since 2010 was the last year this number was officially calculated, the SNAP-Ed focus has expanded from mainly direct education to direct education plus multi-level interventions. Therefore a new analysis will have to be undertaken to update the calculation based on these changes.

SNAP-Ed cost and reach—Extension and other providers nationally, 2010	LGU Extension	Overall
No. of participants	4.5 million (74%)	6.0 million
Federal funding level	$161 million (43%)	$375 million
Federal cost per participant	**$36 per person**	$63 per person

Source: Sexton, J. FY 2010: *A retrospective review* (Note: The data in this table are from 2010. The funding formula for SNAP-Ed was modified immediately after 2010 data were gathered, and a current analysis may produce different figures.)

Through sound government accounting practices of the LGUs, SNAP-ED is a well-managed, reviewed, audited and impactful program.

Partnerships With Other Federal Nutrition Programs

Working with other Federal nutrition programs SNAP-Ed reinforces and enhances opportunities for success.

Florida: Alachua County Food Hub:

The Alachua County Food Hub, also known locally as the "Farm to School to Work Hub," has become a teaching facility for students, a meeting space for school garden champions wanting to connect their gardens to the lunchroom, a place for kitchen managers learning to use farm fresh produce, and a learning opportunity for districts around the state desiring to incorporate more fresh produce into school menus for children most in need. The hub is a true representation of collective impact, which includes a partnership between the Family Nutrition Program (Florida SNAP-Ed), the Alachua County School Board, the Growing Educational Training program, and numerous community organizations. Students were instrumental in helping to develop the food hub where they received and aggregated produce from local farmers and learned to weigh, measure, package and distribute to district schools. Nineteen SNAP-Ed-eligible schools received produce from local farms as well as from onsite gardens and greenhouses through the food hub. Nearly 13,000 pounds of produce from local farms and the hub gardens were processed through the food hub. Additional outcomes and impacts of the program include student participation in gardening classes; training in food packing, food safety procedures; more than 150 heads of lettuce produced for the school lunch program; students cared for over 3,000 plants for school gardens; five local farms provided more than 9,000 pounds of produce for 15 SNAP-Ed eligible schools; and students assisted in developing standard operating procedures for the food hub based on industry standards.

Oregon: Food Hero and Smarter Lunchrooms:

Oregon State University SNAP-Ed program has a partnership with the Oregon State Department of Education—ODE (Child Nutrition Programs, School Food Service, and the broader school environment) includes three training efforts that include Oregon SNAP-Ed faculty and staff.

- Five regional culinary workshops designed for Food Service managers and food preparation cooks in schools are scheduled for fall of 2016. SNAP-Ed Food Hero recipes will be highlighted, and Oregon SNAP-Ed faculty/staff can attend.
- Smarter Lunchroom: There will be ten regional trainings over 18 months, starting in the Fall. Four will focus on the National School Lunch Program; four on the Child and Adult Care Food Program; and two on SFSP sites. These are train the trainer workshops for Oregon SNAP-Ed faculty/staff members and Food Service staff.

- Cycle menu training. There will be four locations for these regional trainings for school food service employees, and SNAP-Ed faculty can attend.

Incorporation of SNAP-Ed Food Hero recipes into Child Nutrition Programs: ODE Child Nutrition Program is continuing to test, quantify, and credit SNAP-Ed Food Hero recipes for use in school lunch programs, CACFP sites, and summer feeding sites. These recipes are quantified at approximately 12, 24, 50 and 100 serving sizes. By the end of 2017, 72 recipes will be completed and listed on the SNAP-Ed Food Hero website. These recipes are part of a larger effort that includes ODE, DHS, Oregon Department of Agriculture, and Oregon SNAP-Ed. Large posters of showcased fruits and vegetables align with the quantity recipes as part of Food Hero and Oregon Harvest for Schools.

SNAP-Ed Future

The FY 2017 SNAP-Ed Federal Guidance requires states to adopt a new National SNAP-Ed Evaluation Framework which includes short, medium and long term outcomes and indicators. This Evaluation Framework is accompanied by an interpretive guide to help implementing agencies understand how to best utilize and report on outcomes and indicators. This will move the nationwide program into an even higher level of standardized outcomes and accountability and help stakeholders see the impact of ongoing activities. In addition, implementing agencies are guided by a national toolkit of best practices. Development of these new evidence based tools guides practitioners to select an intervention with the greatest chance of success for their community and provides researchers with tools to document evidenced based outcomes for multi-level community based interventions. The goal is to impact SNAP recipients where they live, learn, work, play and pray. As we collaborate, cooperate and network with partners the force multiplier will create much needed change to our future health outcomes with SNAP-Ed as one of the most innovative programs implemented at a community level.

Thanks to Chairman Conaway, Ranking Member Peterson, and all of the Committee Members for your acceptance and careful review of this testimony.

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SUPPLEMENTARY MATERIAL SUBMITTED BY SUSAN B. FOERSTER, M.P.H., EMERITUS AND FOUNDING MEMBER, ASSOCIATION OF SNAP NUTRITION EDUCATION ADMINISTRATORS

Thank you for the opportunity to follow-up on questions from the June 22 hearing, *Evaluating the Outcomes and Effectiveness of SNAP Nutrition Education (SNAP-Ed).* We appreciate the opportunity to suggest how SNAP-Ed could help realize our common vision of more people, living in healthier low-income communities, with stronger food and agriculture systems.

How has SNAP nutrition education evolved into what we see today?

Today's SNAP-Ed results from 3 decades of experience and innovation. Congress established the 'first generation' that focused on direct nutrition education in 1981; ultimately, seven states participated. In the mid-1990's USDA reviewed progress and awarded planning grants for 22 *social marketing nutrition networks* to use larger-scale approaches, work in partnerships, and qualify for Federal Financial Participation (FFP) funds. In that 'second generation', participation grew to all 50 states and the District of Columbia (1997–2010). Passage of the 2010 *Healthy, Hunger-Free*

Kids Act (HHFKA) created a 'third generation' that added the social determinants of health and policy, systems and environmental change (PSEs).

Significant changes in the mission and funding structure of SNAP-Ed started several years ago. What services have changed since passage of the 2010 Healthy, Hunger-Free Kids Act?

The new *Nutrition Education and Obesity Prevention Grant Program* in the 2010 *HHFKA* expanded the scope of SNAP-Ed to add physical activity and obesity prevention, evidence-based comprehensive community and public health approaches, and coordination with the Centers for Disease Control and Prevention (CDC). It replaced the FFP incentive funding with state grants that required no match and were administered by SNAP state agencies. Passed mid-recession, SNAP-Ed was flat funded at ~$400M through 2018, and a reallocation formula redistributed funds among the states. The flat funding and reallocation took effect in FFY 2012 and 2014, respectively, and the expanded scope of community and public health approaches with policy, systems and environmental supports was fully implemented starting in FFY 2015.

SNAP-Ed today is a responsive program of nutrition education and promotion whose practitioners collectively use a wide variety of intervention approaches with the different age-, race/ethnic and linguistic population groups their programs serve. Similar to commercial marketing, SNAP-Ed tries to reach people as many times, in as many ways, and in as many places as possible where they make food and activity decisions. SNAP-Ed tailors its efforts to people in the low-resource locations where food and activity decisions are made. Evaluation and revision of materials and interventions is routine. SNAP-Ed has strong connections with community groups and institutions in low-resource settings and works flexibly with stakeholders as new opportunities arise.

Even without counting its reach through PSE changes, SNAP-Ed continues to touch by far the most low-income people in the most places and formats of all the USDA nutrition education programs. As shown below, ***the number of people reached by direct education and social marketing has held steady, though the number of repeat educational contacts has dropped.***

Reported Reach and Contacts of SNAP-Ed Through Education and Social Marketing by 144 State Implementing Agencies in FFY 2015

(Reach of Policy, Systems and Environmental Change Are Not Yet Available)

Reach or Contacts	Numbers Reported, 2015	Trend since 2010
Individuals (B)	**5,924,937**	→
Direct Education Contacts (H)	145,364,559	↓
Individuals via Social Marketing Campaigns (J)	19,106,290	→
Number of SIAs reporting social marketing activity	128	↗

Source: USDA EARS, 2015 Public Use Tables. Letters in parentheses denote the column header in the EARS tables.

Demand for SNAP-Ed has resulted in its being offered in virtually any community setting where face-to- face education can be conducted. ***Each year, direct education is delivered in nearly 50,000 low-resource community sites.***

Sites in 23 Community Channels Where Direct Education Was Delivered Through SNAP-Ed by 144 State Implementing Agencies, FFY 2015

(Sites of Policy, Systems and Environmental Change Are Not Yet Available)

Channel	Sites Reported	Trend since 2010	Channel	Sites Reported	Trend Since 2010
Schools	16,826	↘	Indian Tribal Organizations (AB)	1,063	↗
Day Care/Head Start	3,319	↗	Libraries	978	↗
Community Centers	2,992	↗	Food Stores	962	↗
Emergency Food	2,947	↑	Rehabilitation Centers	943	↘
Elderly Sites	2,947	↘	Shelters	699	→
Community Youth Organizations	2,389	→	Extension Sites	668	↘
Public Housing	2,347	↑	SNAP Offices	593	↓
Churches/Faith Organizations	2,167	↗	Community Gardens (AD)	571	↗
Health Centers	1,160	↗	Worksites	474	↗
Farmers' Markets	1,058	↑	Other Community-Based Organizations (AF)	464	↘
Adult Ed	1,136	→	Other (specify) (AH)	319	↗

Sites in 23 Community Channels Where Direct Education Was Delivered Through SNAP-Ed by 144 State Implementing Agencies, FFY 2015—Continued

(Sites of Policy, Systems and Environmental Change Are Not Yet Available)

Channel	Sites Reported	Trend since 2010	Channel	Sites Reported	Trend Since 2010
WIC	1,081	↘	Total Sites	48,553	→

Source: USDA EARS, 2015 Public Use Tables. Letters in parentheses denote the column header in the EARS tables.

Has the change in funding affected where nutrition education and promotion are offered?

There is a clear trend toward offering direct education in community settings other than schools and in trying to reach young children, children outside of school and adults. While schools are still the dominant site for SNAP-Ed, the change from match-generated funding to a grant has resulted in direct education being offered in other community sites: day care, community centers, emergency food systems, public housing, farmers' markets, faith-based organizations, community health centers, food stores, and worksites. In a very natural way, SNAP-Ed staff are able to extend the relationships they've built through direct education and social marketing to assist partners by adding changes in PSEs that will support positive change on a larger-scale and with longer-lasting impact. *Policies* are written organizational decisions, *systems changes* mean shift in services, and *environmental supports* involve changes in the visual, 'built', social, economic, communications, and normative environments. PSEs are designed to make healthy behaviors easier with a larger-scale and longer-lasting impact.

How does SNAP-Ed typically coordinate to avoid duplication of efforts?

At the state level, each State Implementing Agency (SIA) must provide an annual plan and budget. In the 21 states that have two or more SIAs, one composite plan with clear role delineation, outcomes and budget for each SIA must be reviewed and approved prior to work commencing. Some states have moved to a competitive RFP process to select SIAs. While SIAs collaborate in planning and implementation, it is the decision of the SNAP State Agency to fund complementary rather than duplicative programs.

SNAP-Ed depends on partnerships. In the social marketing 'generation' of SNAP-Ed, statewide networks of organizational leaders from the public, nonprofit, foundation and business sectors were formed. Today, State Nutrition Action Councils composed of the major USDA categorical programs—SNAP, Child Nutrition, EFNEP and WIC—are being re-established. They are asked to plan ways to join efforts that gain synergies to make the most of their respective efforts. ***SNAP-Ed has strict guidelines to prevent its supplanting the mandates of sister programs.***

Eliminating disparities in food access, healthy eating, active living, and obesity is a national concern. SNAP-Ed works with partners who have similar aims. These include programs of the U.S. Department of Health and Human Services, such as CDC and Maternal, Child and Adolescent Health; USDA, such as the Food Insecurity and Nutrition Incentive (FINI) awardees, farmers' market initiatives, Community-Supported Agriculture (CSA), and Farm to Anywhere efforts; service organizations; foundations; health plans; and state/local governments.

All organizations have limited resources. Increasingly, stakeholders try to take a collective impact approach. SNAP-Ed is recognized as consistent and long-term, with a solid infrastructure, so it often is instrumental behind the scenes in setting a common agenda, establishing outcomes, keeping up communications, and helping to coordinate activities. ***The goal is to leverage dollars for impact beyond what any stakeholder could accomplish alone.***

To what extent does SNAP-Ed work with industry? To what degree is industry involved with education? What more could be done?

SNAP is a food shopping assistance program. Of 22 SNAP-Ed states that replied to a quick poll, all but one are now working with retail partners or plan to do so in the coming year. These include chain and independent supermarkets, corner, small, rural, and C-stores, farmers' markets, and CSAs. Among national and regional chains, states reported working with SNAP-Ed eligible stores in companies such as Bashas, Festival Foods, Fred Meyer, Food 4 Less, Giant, Grocery Outlet, HyVee, Kroger, Kwik Trip, Meijers, Price Chopper, Safeway, Save-A-Lot, Shop n Save, Spartan Nash, Stop and Shop, and Weis Markets. ***The number of SNAP-Ed-***

eligible independent, small and C-stores is too numerous to count, as is the number of farmers' markets.

SNAP-Ed activities include direct education, food demonstrations, store tours; in-store support, like signage, print recipes and educational information; and larger-scale community collaborations with grocer and grower associations, nonprofits like *Cooking Matters™,* Double-Up Food Bucks, The Food Trust, and Wholesome Wave. Several states are planning to work with the Partnership for a Healthier America's *FNV™* campaign that encourages millennials to eat more fruits and vegetables, and one is joining efforts with *Eat Brighter!™* a partnership of the Produce Marketing Association, fruit and veggie companies, and Sesame Street.

Some states work with the separately funded FINI (Food Insecurity and Nutrition Incentive) projects in their state, and others intend to respond to future competitions. Some states partner with grocer, grower, and farmers' market manager associations, especially around increasing EBT redemption. Two states are partnering to create a food hub that can help aggregate gleaned food that would otherwise be discarded. Several several mentioned working to improve supply chains for school food programs.

SNAP-Ed works easily with eligible smaller food stores and independent chains. However, over 80 percent of SNAP dollars are spent in supermarkets, and there are barriers to working with national and regional chains that could help shift SNAP buying practices on a larger scale: SNAP-Ed targeting rules allow partnerships only with stores in eligible low-income Census tracts, usually with few supermarkets, or with supermarkets that redeem more than $50,000 in SNAP benefits monthly, which is confidential information. From a chain stores' perspective, corporate approval is usually required to allow partnerships with any local initiatives, and some companies are reluctant to target low-income shoppers. ***It would be helpful if currently-proprietary information about SNAP redemptions and sales of healthy foods were made available to states. This information would allow SNAP-Ed to approach chains and make the business case for cooperative campaigns benefitting SNAP, WIC and other low-income customers.***

With all the positive changes that the food industry has made, such as recipe-ready fruits and vegetables, healthier fast foods, whole grain breads, and healthier lines of processed foods, what more could industry do to help low-income customers?

Healthy convenience foods are boon to busy families, but they tend to be too expensive for families who have so little income that they need SNAP. Manufacturers and grocers could be given the opportunity to offer these and other healthy foods, such as fruits and vegetables in season, at a discounted price to SNAP shoppers. Similarly, without a waiver, retailers may not voluntarily offer 'double up' or 'bonus value' for fruits and vegetables purchased with SNAP dollars. As research programs like HIP (Healthy Incentive Program) and FINI are showing, incentive pricing helps narrow the affordability gap for low-income shoppers and raise dietary quality. ***The Federal non-discrimination policy that prevents retailers from voluntarily offering price incentives for healthy foods like targeted fruits and vegetables to their SNAP customers could be updated.***

There is nothing to prevent a company from shifting prices so that low-nutrient foods are priced higher to offset the cost of healthier foods. This has been done successfully in commercial food service venues, like worksite cafeterias and vending machines. ***Price shifts are likely to be especially effective with price-sensitive groups such as youth and low-wage workers and when accompanied by nutrition education and promotion.***

Although final rules are in place, menu labeling and the improved Nutrition Facts labels that show calories and portion sizes more clearly will not become effective until late 2017 and 2018 respectively. ***It would be effective, especially low-income consumers, if companies were to introduce the new labels well before the Federal deadline.***

While many food companies have developed healthier foods, there has been little or no increase in advertising and promotion of the healthy items compared to the very high levels of advertising for and promotion of less healthy, high-margin foods and beverages. Some studies show that marketing and promotions targeted to non-English speakers, to minority groups and to children are high and disproportionately for less healthy foods and beverages. ***Changes toward health in advertising, promotion and other business practices would help reduce negative influences and—especially for children and adults with limited education—go far in shaping healthier food norms.***

In addition to problems of access to healthy foods, one of the greatest challenges that families using SNAP face is that benefits run out before the

end of the month. Is nutrition education the only solution, or is there more we need to do to improve benefit adequacy?

EFNEP and SNAP-Ed have proven that education in food resource management helps families avoid running out of food money, but there at least four other ways that could help.

First, many families shop once or twice a month for food but still run out of food money within 2 or 3 weeks. For families living in food deserts and food swamps that, by definition, have limited access to supermarkets where food costs are generally lowest, higher stocking standards for healthy foods in small stores could increase the availability of healthy choices, especially for perishables, between trips to the supermarket. SNAP-Ed could be mobilized to help small retailers generate consumer demand, introduce in-store changes, and—where needed—help develop supply chains for healthier foods. ***Requiring all stores certified by SNAP to stock more and healthier food, bolstered by SNAP-Ed assistance when needed, could make a big difference in rural and under-served neighborhoods all year long.***

Second, there are many USDA initiatives to help local agriculture and small farmers bring healthier food into under-served communities through farmers' markets, mobile markets, CSAs (Community-Supported Agriculture), FINI projects, farm-to-school/farm-to-fork efforts, the Specialty Crop Block grant, and community gardens. ***These initiatives could be expanded.***

Third, the USDA Child Nutrition Programs and SNAP are designed to work together as a holistic safety net for children, yet in many areas participation in essential programs like school breakfast, summer meals and high school lunch programs lags far below the number of children whose households need that extra support. Due to concerns about supplantation, SNAP-Ed may only provide referral information, not actively encourage participation in the nutrition assistance programs. ***USDA could offer performance incentive awards to state agencies for working together to reduce their state's food insecurity rates, especially among children.***

Last, the SNAP eligibility and benefit levels do not vary with cost of living differences among the 48 contiguous states or with regions within each state, and the SNAP benefit is based on the household income. In a high cost area, a typical family using SNAP is relatively poorer and receives a relatively lower amount of SNAP benefit than in a low-cost area. ***SNAP eligibility and benefit levels could be adjusted for cost-of-living differences.***

How do SNAP-Ed programs measure success?

Current reporting focuses on accountability. All state plans must include SMART objectives (specific, measurable, achievable, relevant, and time-bound) aligned with the state's needs assessments, strategies and priorities. State program and local grantees may follow business-type processes to measure an intervention's success at each step: formative research and intervention design, pilot testing and revision, program roll-out, and periodic upgrades in line with ongoing evaluations. All states report their formative, process and outcome evaluations, including any publications, annually. States report their success in delivering educational and social marketing activities to USDA in a national system, EARS (Education and Administrative Reporting System) each year.

However, the true outcomes sought by SNAP-Ed—better informed people, more supportive organizations, stronger community infrastructures and healthier low-income populations—are very difficult to measure, they change very slowly, and most successes will be attributable to SNAP-Ed in partnership with others. Change is not linear, and outcomes are measured in multi-year increments. It is believed that once a 'tipping point' is reached, the pace accelerates, but 'tipping points' will be different among states. There were no reporting systems or data sets anywhere that could quantify the wide range of outcomes that lead to healthy eating, active living, food security and obesity prevention, much less compile annual statistics across state lines. ***The new SNAP-Ed Evaluation Framework is trying to overcome these realities and, in so doing, break important new ground in measuring program success.***

Can you explain what new reporting mechanisms are being put in place to track success in SNAP-Ed as a whole?

The new policy direction from the 2010 *HHFKA* led to states and USDA working together and with other experts on a comprehensive *SNAP-Ed Evaluation Framework.* It zeros in on outcomes in three spheres of influence that work together to support permanent healthy behavior. The *Framework* has been operationalized into an *Interpretive Guide* (*IG*) that was released in early June. The *IG* lays out metrics that will become the foundation for reporting SNAP-Ed outcomes comprehensively

and compiling them for many local, state and national uses. The metrics include accomplishments collected as part of program evaluations as well as those drawn from national data bases such as those maintained by USDA and CDC.

In the *Framework,* measures of success are organized into three spheres of influence: For *individuals* receiving direct education, selected behavior changes sustained over at least 6 months is considered long-term success. For *organizations* that partner with SNAP-Ed to serve low-income people, the implementation of specific policy, systems and environmental changes, with the number of people expected to benefit, are counted as long-term success. For *multi-sector activities* that can make a difference on a very large scale, a set of policy and practice changes recommended by authoritative sources and specific to healthy eating and physical activity in low-resource settings has been identified. When low-income specific, *multi-sector changes* occurred due at least in part to SNAP-Ed assistance, that is considered a SNAP-Ed success.

For the 51 Indicators in the *Interpretive Guide,* there are metrics for eight short-, 13 medium- and 19 long-term outcomes that together contribute to 11 different Population Outcomes. Each Indicator has standardized metrics that will allow compilation and aggregation for the program as a whole. ***The next step is to test and fine-tune metrics, then develop an automated, interactive reporting system that is practical for local, state and national purposes.***

What is being done to assure that SNAP-Ed is based on the best practices and science?

SNAP-Ed has compiled the first-ever repository containing interventions focused on low-resource populations and settings. In the 1990s, SNAP-Ed programs had to develop, test, roll-out and continually improve low-income tailored interventions from scratch. While many were designed with replication in mind, mechanisms to help disseminate best practices were lacking.

USDA, the National Consortium of Childhood Obesity Research, and ASNNA have worked together to produce a single, peer-reviewed public-use repository. *SNAP-Ed Strategies & Interventions: An Obesity Prevention Toolkit for States* (2016) will grow as more evidence-based interventions become available. Of the nearly 100 entries, ⅔ were developed by SNAP-Ed states.

Number of Evidence-Based Interventions Cited In the *SNAP-Ed Strategies & Interventions: An Obesity Prevention Toolkit for States,* 2016 *

Target Behavior:	
Breast-feeding	11
Food	76
Physical Activity	39
Intervention Type:	
Direct Education	47
Social Marketing	28
PSE	50
Low-Resource Setting/Channel:	
Child Care	22
School	36
Community	35
Worksite	10
Retail	9
Health Care	7

* **Editor's note:** the formatting of this table has been altered for publishing. The data contained therein has not been altered.

The *Toolkit* is intended to help states find or adapt on proven-effective interventions that they can mix and match to build comprehensive programs tailored to their state's priorities. It links electronically with websites maintained by the originating programs so users can learn from each other. The *Toolkit* is will soon be available in an interactive format. It is expected that new interventions tailored to different SNAP-Ed population segments, dietary and physical activity behaviors, types of PSE changes, and community channels will be added each year. ***The Toolkit is expected to help states meet HHFKA requirements more efficiently, avoid duplication when developing new interventions, increase results, and standardize program outcomes to be more easily reported across state lines.***

Are there specific results that you can point to?

In addition to the peer-reviewed interventions in the *Toolkit,* SNAP-Ed practitioners participate in scientific meetings to present their work to peers and obtain critical feedback. These not only share success, but they serve to continually im-

prove the practice of nutrition education and promotion. There is as yet no single repository for peer-reviewed papers showing the results of SNAP-Ed interventions, but it is believed that several hundred are in print. ***Published results tend to be positive for food resource management, fruit and vegetable consumption, and physical activity. Lowering obesity rates in population groups requires preventing obesity before it happens, and early results with children are positive. The challenge will be to take local and state successes to-scale with entire populations and in larger geographic areas.***

Are there any other approaches to measuring success that could be considered?

Attention is beginning to shift toward examining the cost-effectiveness of comprehensive strategies to reduce obesity. In 2014 a microsimulation found that afterschool physical activity programs would reduce childhood obesity more than the other two interventions it analyzed (Kristensen, *et al.*). All three of the policies in that simulation would have greater impact on black and Latino children than on whites. In 2015 a cost-effectiveness projection concluded that three of the seven policies would each prevent between 129,000–576,000 cases of childhood obesity, saving more in health care costs than the cost to implement (Gortmaker, *et al.*). Also in 2015, a systematic review of economic analyses found that, of 27 different interventions, the vast majority reported beneficial economic outcomes (McKinnon, *et al.*). The studies focused on the community and the built environment, nutrition-related changes, the school environment, and social marketing and media interventions. The Robert Wood Johnson Foundation just reported signs of progress reducing childhood obesity in 20 states; it showcased stories and photos from 13 more localities that took comprehensive approaches that led to significant declines in childhood obesity.

Since SNAP-Ed uses comprehensive, multi-sector approaches and conducts similar programs to those in the four major studies above, it is logical to assume that more in-depth evaluation will document similar positive changes on a large scale.

Rates of obesity vary across the country. Are SNAP-Ed grants targeted to states with higher rates of obesity?

No. The new reallocation formula is based in part on SNAP rates, not obesity. However, to the degree that SNAP participation tracks with poverty and food insecurity which are drivers of obesity, the *HHFKA* formula will help. ***In the chart below, of the 16 states and District of Columbia that fall in any of the four 'top 10' categories for obesity, SNAP-Ed funding through the reallocation process will increase for 11. For five states, it will more than double.***

It is important to know that, except in the food insecurity and PedNSS (Pediatric Nutrition Surveillance Survey) columns, the data below are for the general population since rates for low-income groups are not readily available. ***With the prevalence of risks greater in low-income population segments, state rates of obesity and type 2 diabetes are no doubt significantly higher for SNAP-Ed groups than those shown below.***

How does the reallocation process work? How will SNAP-Ed grants be impacted?

By 2018, SNAP-Ed will fund states 50% based on their 2009 funding and 50% based on the state's most recent percentage of the national SNAP participation. The Congressional reallocation formula uses each state's FFY 2009 SNAP-Ed Federal Financial Participation as the base, then annually from 2014–2018 adjusts by 10% increments using each state's prior-year proportion of the national SNAP population.

As shown below, for the 11 states and District of Columbia with a 'top 10' rank but where grants are projected to increase by 10% or less, funding will not keep pace with the projected cost of living. Not shown are the ten other states without a 'top 10' designation but with ≤10% growth expected. These include: ME, MI, MN, NE, NM, NH, NM, PA, WA and WI. ***By 2018, grants for 20 states and the District of Columbia be either less than in 2009 or fail to keep up with the Consumer Price Index.***

Top 10 States for Prevalence of Food Insecurity, Physical Inactivity, Obesity and Diabetes With Estimated Change in SNAP-Ed Funding Due to *HHFKA* Reallocation, 2014–2018

State with Any Top 10 Rank	Food Insecurity Rank,[A] 2012–2014	Physical Inactivity Rank,[B] 2014 (%)	Adult Obesity Rank,[B] 2014 (%)	Obesity in High School Students Rank,[C] 2015 (%)	Child Obesity Rank, 10–17 years,[D] 2011 (%)	Obese Low-Income 2–4 Year Olds, Rank,[E] 2011 (%)	Type 2 Diabetes, Adults, Rank,[B] 2014 (%)	Change in SNAP-Ed Funding,[F] FFY14–18 (est.)
Mississippi	1 (22.0)	1 (31.6)	3 (35.5)	1 (18.9)	1 (21.7)		3 (13.0)	34%
Arkansas	2 (19.9)	2 (30.7)	1 (35.9)	4 (18.0)	6 (20.0)		5 (12.7)	56%
Louisiana	3 (17.6)	3 (29.5)	4 (34.9)	N/A	4 (21.1)	N/A		87%
Kentucky	4 (17.5)	6 (28.2)		3 (18.5)	8 (19.7)	6 (15.5)	6 (12.5)	−5%
Texas	5 (17.2)	7 (27.6)		N/A	10 (19.1)	N/A		141%
Ohio	6 (16.9)		8 (32.6)	N/A			9 (11.7)	119%
Alabama	7 (16.8)		5 (33.5)				4 (12.9)	28%
Missouri	7 (16.8)							−5%
North Carolina	9 (16.7)					7 (15.4)		222%
Oklahoma	10 (16.5)	5 (28.3)	6 (33.0)	6 (17.3)		N/A	7 (12.0)	3%
Tennessee		9 (26.8)		2 (18.6)	5 (20.5)		2 (13.0)	140%
West Virginia		4 (28.7)	2 (35.7)	5 (18.0)			1 (14.1)	6%
Indiana		10 (26.1)	7 (32.7)					18%
North Dakota			9 (32.2)					1%
South Carolina			10 (32.2)	8 (16.3)	2 (21.5)	N/A	7 (12.0)	419%
D.C.				N/A	3 (21.4)			−9%
Arizona					7 (20.0)			−13%
Illinois					9 (19.3)			32%
Georgia				N/A			10 (11.6)	222%
California						1 (16.8)	21 (10.3)	−23%
New Jersey				N/A		2 (16.6)		10%
Rhode Island						2 (16.6)		2%
Massachusetts						4 (16.4)		50%
Connecticut						5 (15.8)		1%
Maryland						8 (15.3)		59%
South Dakota						9 (15.2)		33%
Oregon				N/A		10 (14.8)		5%
Delaware				10 (15.8)		N/A		61%
Lowest Rate	DE (8.4)	CO (16.4)	CO (21.3)	MT (10.3)	OR (9.9)	HI (9.2)	UT (7.1)	N/A

A—USDA, ERS **B**—CDC, BRFSS **C**—CDC, Youth Risk Behavior Survey (n=37 states). Other state-specific surveys may be available. **D**—CDC, NHANES for 10 to 17 year old children. **E**—CDC, Pediatric Nutrition Surveillance Survey (n=41 states). System has been discontinued. **F**—USDA, FNS. This percent reflects the expected 5 year shift in SNAP-Ed grants due to the 10 year cap of ~$400M (2009).

What can the improvements that SNAP-Ed focuses on mean for health care costs?

Lowering health care costs is complicated because so many factors are in play. However, being healthy, by definition, will help reduce or delay the need for expensive services. Poor diet, physical inactivity and obesity have long been known as the leading preventable causes of death (*JAMA*, 1993). Experts urge a collective change from an 'obesogenic environment' toward 'a culture of health' and, for less-advantaged groups, eliminating disparities by focusing on social determinants of health. That said, there is little progress toward healthy eating practices, obesity rates are up in most groups, and health care costs continue to rise.

The health care cost trajectory could be changed through prevention. The California Department of Public Health conducted an analysis that estimated the state's 10 year cost of physical inactivity, obesity and overweight at nearly $220B in medical care, workers' compensation and lost productivity (Year 2000 dollars). ***The analysis projected that a ten percent increase in the number of adults who were leaner and more active could avoid about $13B in health care costs—nearly six percent less than the expected 10 year growth.***

Nationally, the economic costs of food insecurity, physical inactivity, obesity and diet-related diseases are high, as shown below, and many are rising. ***Among low-income populations where disease onset occurs at younger ages and rates of risk factors are higher, the economic benefits of prevention may be greater and occur sooner than in the general population.***

Cost of Diet-Related-Diseases and Problems that SNAP and SNAP-Ed Help Reduce With Dollars Allocated to SNAP and SNAP-Ed, 2016

Cost Center	Cost per Year (rounded)	Source, Comments
Food Insecurity	$160,000,000,000	Bread for the World Institute, 2016
Obesity	$256,000,000,000	Chenoweth & Leutzinger, 2006
Physical Inactivity	$251,000,000,000	Chenoweth & Leutzinger, 2006
Type 2 Diabetes	$245,000,000,000	Centers for Disease Control and Prevention, 2014
Cancer	$216,000,000,000	Centers for Disease Control and Prevention, 2015
Coronary Heart Disease	$204,000,000,000	American Heart Association, 2015
High Blood Pressure	$46,000,000,000	American Heart Association, 2015
Stroke	$36,000,000,000	American Heart Association, 2015
Osteoporosis	$19,000,000,000	National Osteoporosis Foundation, 2014
Total	**N/A**	**Differences in methods and timeframes preclude totaling these costs.**
SNAP-Related Investment in Prevention		
SNAP Food Benefits	$69,000,000,000	USDA, 2016
SNAP-Ed	$408,000,000	USDA, 2016
Total	**$69,408,000,000**	**Does not include other economic benefits to individuals and communities.**[1]

Conclusion

SNAP, the centerpiece program in the nation's nutrition safety net, already provides well documented, significant economic returns and health benefits.[1] ***SNAP-Ed, its nutrition arm, is increasingly well positioned to multiply those benefits and go further toward achieving the larger mission—food security, good nutrition and better health—for low-income Americans, less-resourced communities, and the nation's food and agriculture systems.***

Thank you for the opportunity to contribute to this important process. Please plan to visit SNAP-Ed projects back home to see the results for yourself.

[Endnote]

[1] SNAP generates significant increases in economic activity, jobs and self-employment, and agricultural production throughout the entire food system, from farm to table (ERS, 2015). Each SNAP dollar nearly doubles its value in local economic activity (ERS, 2015). Moody's concluded that the fastest way to infuse an ailing economy is through SNAP because it is quickly spent to generate consumer demand and contribute to wages at every point in the food chain (FRAC, 2015).

SNAP alone has health benefits. SNAP participation early in life is associated with lower rates of obesity and metabolic syndrome years later, and it improves educational attainment and economic self-sufficiency, both of which are positively associated with better health (Council of Economic Advisors). SNAP participation resulted in decreased growth of inpatient costs for Medicaid patients in Boston (Sonik, *et al.*, 2015).

Changes in benefits could help. A small increase in benefits was projected to boost spending on food and improve dietary quality (Center for Budget and Policy Priorities, 2016). A 30% incentive boosted fruit and vegetable intake to achieve an unprecedented 5 point increase in the Healthy Eating Index and closed 20% of the gap compared to national recommendations (Olsho, *et al,* 2016).

SUBMITTED STATEMENT BY ACADEMY OF NUTRITION AND DIETETICS

Academy of Nutrition and Dietetics Supports SNAP Nutrition Education

American diets fall short of recommendations for good health and contribute to excess rates of preventable chronic diseases (USDA & U.S. DHHS, 2015). Obesity rates are high and occur at younger ages in low-income and some minority groups, as do other serious problems like Type 2 diabetes, heart disease and hypertension (USDA & U.S. DHHS, 2015).

Nutrition education is critical to good health and the development of lifelong healthy behaviors. Effective and targeted nutrition education across the life cycle can have an empowering and positive impact on the health and well-being of Americans.

To address food insecurity in low-resource populations the Academy recommends:

> ". . . interventions, including adequate funding for and increased utilization of food and nutrition assistance programs, inclusion of food and nutrition education in such programs and innovative programs to promote and support individual and household economic self-sufficiency."[1]

SNAP Nutrition Education, or SNAP-Ed, is an innovative nutrition education program that is meeting the unique needs of low-income communities nationwide. SNAP-Ed provides targeted effective nutrition education that empowers families to make lasting behavior change and builds skills to manage limited resources towards economic self-sufficiency.

History of SNAP-Ed

As early as 1981 and building over time, Congress and the USDA have recognized the critical role of government supported nutrition education to helping the most nutritionally vulnerable populations make healthy food choices.

In the Agriculture and Food Act of 1981, the House and Senate Agriculture Committees initiated efforts to expand the reach of nutrition education to food stamp recipients (SEC. 1322). Specifically, "to encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants, using the methods and techniques developed in the expanded food and nutrition education and other programs." Over the next few years and up to the rewrite of the farm bill, USDA began to employ more innovative approaches to reach broader low low-income audiences beyond the "one-on-one" approach used in the successful Expanded Food and Nutrition Education Program.

In the Food Security Act of 1985, Title XVII, Subtitle A, Congress authorized USDA to make funds available to State Cooperative Extension Services to expand their food, nutrition and consumer services for low-income households. The House Agriculture Committee "wishes to ensure, to the extent possible, that low-income households have access to programs enabling them to maximize their food dollars and improve their diets," according to report language for this 1985 Act. "The primary purposes of the program are to (1) increase the ability of low-income persons to manage their food budgets, (2) advance the ability of these persons to buy food that satisfies nutritional needs and promotes good health and (3) improve the food preparation, storage, safety, preservation and sanitation practices of low-income people." The Committee urges program funding to be spent on education activities and services rather than development of teaching materials and thus to be coordinated with the Food and Nutrition Service nutrition education efforts. The Committee report stated that "the targeting of this nutrition education program on the low-income population is not based on the belief that these persons are poorer shoppers or know less about good nutrition than other Americans. This program is targeted on low-income persons because of their special needs to stretch limited food dollars and to assure that the public's tax dollars devoted to food assistance programs are spent in the most efficient way possible."

Over the past 30 years, the food stamp nutrition education program, now titled the Supplemental Nutrition Assistance Program-Education has achieved the goals

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[1] *Position of the American Dietetic Association: Food Insecurity in the United States.* JOURNAL OF THE AMERICAN DIETETIC ASSOC. 2010; 110: 1368–1377.

of the program initiators in the House Agriculture Committee. From a plethora of innovative education methods, millions of more low-income individuals have gained competence in managing their food budgets, shopping for and preparing healthful food and improving their overall health.

Innovative Nutrition Education Programming

Nutrition education is not is merely handing out brochures, lectures or memorizing nutrients.

Nutrition education is engaging, fun and experiential. It is about food: tasty, delicious food that is also healthful.

Effective education strategies in combination and coordination with nutrition assistance programs will help ensure the Federal investment in these programs is optimized. Nutrition education ensures that families have knowledge and skills and are empowered to make healthy choices, whether purchasing food in the grocery store, corner store or restaurants or preparing food at home. For example a 2013 Deloitte study found that smart grocery shopping and healthful cooking can save a family approximately $46,000 per adult family member in lifetime health care costs and wages lost to sick days. Nutrition education can help build those types of food skills.

SNAP-Ed Evolves

State SNAP-Ed programs were designed to operate at all levels: neighborhoods, cities, counties, regions and statewide. SNAP-Ed promotes healthy behaviors and helps create conditions in which the healthy choice is the easy choice. Empowering families with the skills and promoting healthy surroundings through systems supports foster lifelong healthy food and physical activity choices. Early adoption of healthy habits, resource management skills, coupled with systems approaches that support those habits are key to reducing health care costs related to chronic diseases like obesity, diabetes and heart disease. SNAP-Ed evaluated programs show:

- Increases in fruit and vegetable consumption and physical activity by participating low-income children and adults (Johnson, *et al.,* 2013; Sexton & Chipman, 2013).
- Increases in dietary intake of fiber, calcium, iron and other key nutrients needed for a healthier diet (Johnson, *et al.,* 2013; Sexton & Chipman).
- Unprecedented gains in statewide fruit and vegetable consumption by low-income residents using social marketing nutrition networks (Foerster & Gregson, 2011).
- Decreases in new cases of overweight among elementary children in a large urban school district (Foster, *et al.,* 2008).
- Increases in food resource management skills and decreased incidence of food shortage before the end of the month (Kaiser, *et al.,* 2015).
- Stronger methods and best practices for nutrition education (Lovett, Sherman, & Barno).

While much is happening now, more can be done to ensure that nutrition assistance programs are leveraged more to help improve the health and well-being of Americans—ultimately resulting in health care savings.

Evidenced-Based Evaluation of Nutrition Education Programing

Over its history, SNAP-Ed has embraced the mission of helping achieve the nation's goals for food security, healthful eating, physical activity and obesity prevention. States designed and tested many new approaches, shared what was learned and saw were significant results. From the start, we knew we needed to capture all those results to characterize the scale of SNAP-Ed progress among states and across the country. Many states have developed and conducted evaluation of the program for many years.

The recently released report from the National Commission on Hunger noted the importance of SNAP-Ed and highlighted the "opportunity to standardize data collection and evaluation across programs to assess the effectiveness of SNAP-Ed on improving health and hunger outcomes." In June 2016, building on the 30 year history of innovative state evaluations, a team with representation from the USDA, CDC and the National Collaborative on Child Obesity Research released the SNAP-Ed Evaluation Framework and Interpretative Guide.

This evaluation framework is designed as a science-driven roadmap to show how collective efforts across the country could lead to population results. It is designed to help SNAP-Ed implementing agencies capture the more distal and permanent

benefits to society that expert bodies say are needed and that this kind of work can generate.

The Interpretative Guide provides the "how" to drive toward big results without losing the targeting of SNAP-Ed programming tailor to a community's needs. It operationalizes the Framework's 51 Indicators, each of which has specific metrics, to help programs quantify and then aggregate SNAP-Ed outcomes over time. Those metrics will allow us to capture specific, important benefits to individuals, to systems, organizations and businesses and to entire low-resource communities at the local, regional and statewide levels. The synergy of this work—especially in partnerships with other committed stakeholders—is how we believe population-wide results are being achieved and can be quantified.

Conclusions

The Academy of Nutrition and Dietetics supports and emphasizes the necessity of pairing nutrition assistance programs with strong and comprehensive nutrition education programs. SNAP-Ed continues to provide innovative and effective nutrition education that empower families to make lasting healthy choices. The SNAP-Ed Evaluation Framework will help aggregate data that will help policy makers better understand the collective impact of SNAP-Ed interventions.

SUBMITTED STATEMENT BY LAURIE M. TISCH CENTER FOR FOOD, EDUCATION & POLICY

Statement in Support of SNAP Education

The Laurie M. Tisch Center for Food, Education & Policy in the Program in Nutrition, Teachers College Columbia University (the Tisch Food Center) is pleased to comment on the critical importance of the Federal SNAP Education program. The Tisch Food Center cultivates research about connections between a just, sustainable food system and healthy eating, and translates it into recommendations and resources for educators, policy makers, and community advocates. The Program in Nutrition at Teachers College is the oldest university based nutrition program in the country, and founded the field of nutrition education.

The need for high-quality nutrition education is more critical than ever. Even when we know what to eat, it's hard, and most American diets are falling short of national nutrition recommendations.[2] This has resulted in high rates of obesity and other preventable chronic diseases, including type 2 diabetes, heart disease, and hypertension.[2]

The Federal Government makes a significant investment in access to healthy food for all Americans through the Supplemental Nutrition Assistance Program (SNAP). This investment can be maximized when healthy food access is paired with nutrition education, through SNAP Education (SNAP-Ed). This offers the best opportunity for children and families to be responsible and informed about their food—synonymous with providing a fishing rod along with guidance and hands-on learning experiences to catch lots of fish.

Nutrition education is a cost-effective obesity prevention strategy,[3] yet the current Federal investment in SNAP-Ed is much less than the cost of obesity, $408 million *vs.* $147 billion.[4] SNAP-Ed is an effective program, making significant improvements in the diets of participants. Evidence shows that SNAP-Ed participants ate more fruits and vegetables, were more physically active,[5] and were better able to manage their food resources.[6]

SNAP-Ed in NYC: Stellar Farmers' Market Program

- With a SNAP-Ed grant, the NYC Department of Health and Mental Hygiene and the New York State Office of Temporary and Disability Assistance collaborated to provide free nutrition and cooking workshops to SNAP eligible participants at farmers' markets in low-income neighborhoods.
- This program, called Stellar Farmers' Market, leverages local dollars for SNAP incentives called Health Bucks, allowing participants to learn about and purchase local produce.
- Program participants increased fruit and vegetable consumption, and reported higher self-efficacy to prepare and consume produce.[1]

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For more information about this brief or the Laurie M. Tisch Center for Food, Education & Policy please contact Claire Uno, Assistant Executive Director at [**Redacted**] or [**Redacted**] • *www.tc.edu/tisch*.

SUBMITTED QUESTIONS

Response from Kimberlydawn Wisdom, M.D., M.S., Senior Vice President, Community Health & Equity and Chief Wellness and Diversity Officer, Henry Ford Health System

Question Submitted by Hon. Alma S. Adams, a Representative in Congress from North Carolina

Question. Dr. Wisdom, can you elaborate on your recommendation to modify the Thrifty Food Plan and why it currently does not adequately capture the higher costs of healthy foods and the regional variability in the cost of living for SNAP participants?

Answer. The Thrifty Food Plan (TFP) serves as a national standard for a nutritious diet at a minimal cost and is used as the basis for maximum food stamp allotments. The purchasing power of the TFP has yet to be increased by USDA, even though the opportunity presented itself in 1983, 1999, and 2006 during market basket revisions. The 2006 revision of the TFP market baskets reflected changes in dietary guidance and incorporated updated information on food composition, consumption patterns, and food prices at the same inflation-adjusted cost of the previous TFP. TFP requires tradeoffs between the nutrition quality and costs of foods available in the United States.

Critics of the TFP plan cite its impractical lists of food, lack of variety, unrealistic assumptions of food availability and affordability, underestimation of food waste, and the cost of the time needed to prepare foods. The program's most significant weakness is that benefits are not adequate to get most families through the entire month, let alone to allow them to buy the foods needed for a high, quality diet.[1] Families need to plan ahead and select the most common fresh fruits and vegetables such as apples and bananas, iceberg lettuce and processed fruits and vegetables (canned, frozen, dried, and juiced products) such as canned tomatoes to stay within the TFP budget restraints.[2] No cultural or regional variations are considered.

The costs of foods greatly vary based on where you live, where you shop and what is available in your area. The TFP is based on a national average of food prices, but food prices vary widely across the nation, as concluded in several USDA reports. As a result, higher food prices in many communities—especially urban areas—make it difficult to meet TFP guidelines and afford a healthful diet, because SNAP consumers have less purchasing power with their program benefits.[1] To meet the 2005 *Dietary Guidelines* market basket would require a low-income family to devote 43% to 70% of their food budget to fruits and vegetables depending on where they lived and shopped for these items.[4] This would also require families to allocate a much larger share of their overall food budget to fruits and vegetables and carefully budget to meet these requirements and eliminate the purchase of other processed foods.

Low-income consumers that shop in non-chain stores pay a significant premium due to poor access to chain stores in their neighborhoods, this is especially true in rural areas. One study revealed that the biggest factor contributing to higher grocery costs in poor neighborhoods is that large chain stores, where prices tend to be lower, are not located in these neighborhoods.[3]

In reaching the TFP target most products are in there raw form, for example dry beans *vs.* canned beans, required significantly more planning and preparation time

for meals. One study suggested that time is more constraining than money and that solely focusing on money could severely underestimate the gap between actual expenditures and those required to reach the TFP target.[5]

The USDA's Low-Cost Food Plan—not the Thrifty Food Plan—is a much more appropriate basis for SNAP allotments. Such a change would improve the health and well-being of millions of low-income Americans and is more aligned with how much money is needed to maintain a more food-secure household for the month. The Low-Cost Food Plan allows for greater food variety and choices to support regional and cultural variations and preferences and allows for the purchase of more nutritionally adequate diets than those households spending at the TFP level. This is consistent with a study conducted in 2010, which found that increases in food spending positively impacted the dietary quality of SNAP participants.[6] Other strategies could include incentivizing or subsidizing fruit and vegetables purchases for SNAP recipients, allowing states to adjust benefit costs based on cost of living standards for food, or allowing SNAP recipients to purchase certain products from online or delivery services for convenient access to fruits and vegetables and other healthy foods.

Citations

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Response from Shreela V. Sharma, Ph.D., R.D., L.D., Associate Professor, Division of Epidemiology, Human Genetics and Environmental Sciences, University of Texas; Co-Founder, Brighter Bites

Question Submitted by Hon. Alma S. Adams, a Representative in Congress from North Carolina

Question. Dr. Sharma, the families that participate in your program Brighter Bites in Texas are using produce that is donated by food distributors rather than having to purchase fruits and vegetables on their own.

Do you have an estimate of how much a family would have to increase their monthly grocery bill in order to buy produce if it was not donated to them through this program?

Answer. Thank you for this important question. On average Brighter Bites families receive 30–35 lbs of a variety of seasonal produce each week through the program. We have estimated the retail cost of this amount of produce to be, on average, $32.37 (±$7.41) for the produce provided per week in the 2015–2016 school year. Additionally, we collect data from the families by asking our families "on average, how much money did participating in Brighter Bites help you save on your monthly grocery bill?" Of the 4,415 Brighter Bites families across Houston, Austin and Dallas who responded to this question in the 2015–2016 school year, families reported saving on average $34.30 per week on their grocery bill.

Response from Jo Britt-Rankin, Ph.D., Associate Dean/Program Director, Human Environmental Sciences Extension, University of Missouri, Columbia, MO; on behalf of Extension Committee on Organization and Policy

Question Submitted by Hon. Alma S. Adams, a Representative in Congress from North Carolina

Question. Dr. Britt-Rankin, you mention in your testimony that land-grant universities offer multiple nutrition education programs at each institution that are complimentary and are not duplicative.

Can you elaborate on how extension programs through the Expanded Food and Nutrition Education Program complement the outreach that is funded through SNAP education grants in the State of Missouri?

Answer. ***Thank you Representative Adams for allowing me to provide further explanation . . .***

I have created the table to help describe the two programs nationally. You will then see the more specific Missouri example below the table.

	EFNEP	SNAP-Ed
Funding	Smith-Lever [(3)(d)]/Capacity to LGU's	Grant program to state SNAP agency
Target Audience	Families w/children in the home and youth groups	SNAP recipients & eligibles
Program Delivery	Ave. of eight lessons for adults/six for youth. Enrollment, graduation and national reporting forms.	Multiple methods—single and multi-session. Policy, System & Environment interventions to complement direct education
No. of Participants*	500,000 direct 340,000 indirect education	41,489,783 direct 146,515,970 indirect Ed 374,888,292 social marketing

* EFNEP is people. SNAP-Ed is contacts.

First, the guidance for SNAP-Ed specifically states that implementing agencies must develop a coordination plan and indicate what steps they will take to prevent duplication of services. Each year we work with USDA food assistance programs, state agencies, the hunger community and other health providers in Missouri to determine how we will provide education and services in concert with each other. Many of these partners are members of our nutrition network, MOCAN—Missouri Council on Activity and Nutrition. We determine who is providing services in specific locations and if Extension can provide complementary educational programs. We also survey to determine where gaps in services and education may exist.

Internally, we evaluate these programs extensively each year. About 10 years ago, we began to see our EFNEP enrollments begin to decline. At that time, our EFNEP paraprofessionals were primarily located in the more rural parts of the state. In these areas, the populations were sparse and it was difficult to locate adequate numbers of new participants. At that time, we determined that there was a greater unmet need in the urban/metropolitan areas of Kansas City and St. Louis. Given that each metropolitan area has over two million residents, we determined it best to centralize our efforts into the two largest population centers of the state.

Although this move to the urban/metropolitan areas has concentrated our geographic reach, it has increased our participant numbers greatly. We also wanted to ensure that EFNEP and SNAP-Ed staff would not duplicate efforts or provide education in the same locations. Local program coordinators work with each program's educators to determine what organizations or sites will receive programming each given year. For example, EFNEP staff in St. Louis collaborates with the International Institute and provides nutrition education to new immigrant families. EFNEP staff also work with youth/community garden programs. SNAP-Ed in these same geographic locations focus their efforts on school-based, classroom education as well as seniors and adults without children in the homes.

In Missouri, we have found this to be effective in increasing participation rates as well as preventing duplication of efforts. In 2016, EFNEP reached more individuals than ever before. Having a very defined audience also allows the educators to become more focused on teaching and evaluating their respective program rather than searching for new audiences.

I do want to be clear, in Missouri, we have not left the rural areas. SNAP-Ed in Missouri is a statewide program. We have educators in all 114 counties and the city of St. Louis. We utilize a combination of direct education, indirect education, social marketing, and PSE interventions to reach across the state.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(THE PAST, PRESENT, AND FUTURE OF SNAP: EVALUATING ERROR RATES AND ANTI-FRAUD MEASURES TO ENHANCE PROGRAM INTEGRITY)

WEDNESDAY, JULY 6, 2016

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 10:00 a.m., in Room 1300 of the Longworth House Office Building, Hon. K. Michael Conaway [Chairman of the Committee] presiding.

Members present: Representatives Conaway, Lucas, Gibbs, Crawford, Gibson, Benishek, Denham, LaMalfa, Davis, Walorski, Allen, Abraham, Moolenaar, Newhouse, Kelly, Peterson, David Scott of Georgia, Costa, Walz, Fudge, McGovern, DelBene, Vela, Lujan Grisham, Kuster, Nolan, Bustos, Aguilar, Adams, Graham, and Ashford.

Staff present: Caleb Crosswhite, Callie McAdams, Jadi Chapman, Mary Nowak, Mollie Wilken, Stephanie Addison, Lisa Shelton, Liz Friedlander, Matthew MacKenzie, Nicole Scott, and Carly Reedholm.

OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

The CHAIRMAN. Well, good morning. This hearing of the Committee on Agriculture entitled, *Past, Present, and Future of SNAP: Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity*, will come to order. I have asked Trent Kelly to open us with a brief prayer. Trent.

Mr. KELLY. Bow your heads. Dear Lord, we just ask that you bless our farmers in this great nation. We ask that you bless those who are needy and who are less fortunate than us. We ask that all we do in this nation honor, and we ask that you guide us in all our decisions. In Jesus' name, I pray. Amen.

The CHAIRMAN. Thank you, Trent.

I want to welcome our witnesses to today's hearing and thank them for taking the time to share their insight on how we can enhance program integrity within the Supplemental Nutrition Assistance Program. This hearing, builds upon the Committee's top-to-bottom review of SNAP and I hope it will provide a greater understanding of efforts being made to ensure SNAP is run at the highest caliber.

Americans generally support welfare programs to help those who have fallen on hard times, the elderly, children, and disabled individuals who cannot care for themselves. In order to maintain support from American taxpayers, we as legislators and program administrators must ensure that these programs are accountable and transparent.

One way we hold these programs accountable is by tracking the annual error rate. Error rates stem primarily from overpayments or underpayments to SNAP recipients by the states. Compared to other means-tested programs, SNAP has a relatively low error rate of 3.2 percent for Fiscal Year 2015. But, what does this number tell us? What are the factors used in determining the error rate? And when comparing error rates across programs, are we really comparing the same criteria?

In addition to error rates, we will also be discussing fraud, and more specifically, trafficking, which occurs when SNAP benefits are exchanged for cash. USDA's most recent report for trafficking was 1.3 percent, but again, what does that rate really tell us and what additional improvements can be made?

Finally, whether we are talking about errors or outright fraud, another key question is who should bear the financial and oversight responsibility for reducing misused dollars. The states or the Federal Government?

While the error rate for SNAP is low, it translates to more than $2 billion per year in payments that are issued incorrectly. Programs can always improve, and as the Committee responsible for oversight of SNAP, we should always be pushing to ensure that SNAP is working well, both for the 45 million recipients that rely on food assistance, and for the taxpayers that fund that program. I think that is something we should all be able to agree on today. And I look forward to hearing from our panel.

[The prepared statement of Mr. Conaway follows:]

PREPARED STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

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The CHAIRMAN. With that, I ask the Ranking Member for any comments he might have.

OPENING STATEMENT OF HON. COLLIN C. PETERSON, A REPRESENTATIVE IN CONGRESS FROM MINNESOTA

Mr. PETERSON. Well, thank you, Mr. Chairman. And I want to thank today's witnesses for joining the Agriculture Committee's ongoing and thorough review of SNAP.

States have a lot of flexibility when it comes to administering SNAP, and it is important that, especially as we continue our review and look ahead to possible policy changes, that we keep this in mind, and we keep a close eye on their work.

We have made significant progress, I believe, in eliminating waste, fraud, and abuse in the SNAP Program, and with EBT cards it has made it very difficult for the recipients to cheat the system. But what still doesn't make sense to me is that we have created a system where states set the rules in some cases, and then we are left paying the bill. Categorical eligibility has allowed for different states to provide different benefits. The way programs like LIHEAP are also connected to SNAP, and they have only expanded these discrepancies.

Giving states more power while the Federal Government is still footing the bill, like block grants, just, to me, doesn't make a lot of sense.

If you had a business where somebody decided how to spend your money and then sent you the bill, I don't think you would survive very long. I question that whole direction.

With that said, I am looking forward to today's testimony, and learning more about the efforts being undertaken here in Washington to address some of these issues and ensure a thorough oversight.

And with that, Mr. Chairman, I yield back.

The CHAIRMAN. I thank the Ranking Member.

The chair requests that other Members submit their opening statements for the record so that our witnesses may begin their testimony, and ensure there is ample time for questions.

I would like to welcome our witnesses to the witness table today. First, we will have Ms. Jessica Shahin, who is the SNAP Associate Administrator, Food and Nutrition Service, USDA, Washington, D.C. We also have Ms. Kay Brown, Director, Education, Workforce, and Income Security, U.S. Government Accountability Office, Washington, D.C. And I have asked our college, Bob Gibbs, to introduce our third witness. Bob.

Mr. GIBBS. Thank you, Mr. Chairman. It is a privilege to welcome our Auditor of the State of Ohio, the Honorable Dave Yost. He is in his second term. He has done a remarkable job working in the State of Ohio, auditing from the Board of Education, some local municipalities, state government, and he has really brought

accountability and transparency, and is protecting taxpayers' dollars.

And before he was an auditor for the State of Ohio, he was an auditor in Delaware County, and then he was also the county prosecutor, and has a law degree and a law background. So that really makes a good mix.

And just on a personal note, he is quite a singer. He is a musician, I can't say it, and plays the guitar and been quite an entertainer. But he has done a great job, and his report here, *Auditing the SNAP Program in the State of Ohio,* is a good benefit to the Committee. Welcome.

Thank you, I yield back.

The CHAIRMAN. Well, thank you.

Jessica, I butchered your last name.

Ms. SHAHIN. It is Shahin. It is Shahin. Rhymes with machine.

The CHAIRMAN. All right, Ms. Shahin, the floor is yours for 5 minutes, thank you. And I apologize for butchering your last name earlier.

Ms. SHAHIN. Not at all.

The CHAIRMAN. You are recognized for 5 minutes, ma'am.

STATEMENT OF JESSICA SHAHIN, ASSOCIATE ADMINISTRATOR FOR SNAP, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Ms. SHAHIN. Thank you, Mr. Chairman and Ranking Member Peterson. I am pleased to join you today to discuss the integrity of the Supplemental Nutrition Assistance Program, SNAP.

I have dedicated most of my career to making SNAP work for individuals and families in need of nutrition assistance. It has been a central principle for me, working at the state level and in Federal Administrations of both parties, that SNAP cannot succeed and continue without strong public confidence. All of us, Federal, state, and local, are rightly accountable for good stewardship of tax dollars. Strong efforts to use every dollar wisely and eliminate error and fraud are critical to preserving benefits for the vast majority of participants who play by the rules, and need help to ensure access to adequate and nutritious food.

Integrity encompasses many aspects of SNAP operations. It includes administrative errors and other kinds of mistakes, as well as deliberate efforts to defraud the program. We must ensure that benefits go to eligible people in the proper amount. We must prevent fraud, and when it occurs, must hold bad actors accountable. And as a Federal oversight agency, we must ensure that states administer SNAP according to laws and regulations.

FNS works on its own and with states to meet these responsibilities. The agency works closely with states to prevent and reduce errors at certification, through business process reengineering, IT improvements, and sharing best practices. While most such errors are just that; unintentional, clients who deliberately violate SNAP rules are disqualified and must repay the funds.

FNS continues to investigate problems with the state-administered quality control system identified in 2015. We reached agreement with the USDA's Inspector General, and we are proceeding

to implement all recommendations from its quality control audit, and completed reviews of 33 state agencies. When all reviews are complete by December 2016, USDA will release a Fiscal Year 2015 error rate.

We are also updating guidance documents and preparing extensive training efforts for states and for FNS staff.

Let me underscore that the QC system problems reflect actions by states, not by low-income households who receive SNAP.

We are relentless in the fight against trafficking; the illegal sale or purchase of benefits. FNS restructured our retailer management functions into a single centralized business structure to better target resources to the greatest risks. We use data analytics, and have updated our ALERT system in-line with state-of-the-art technology to better detect suspicious SNAP redemptions. We have implemented policies that combat abuse and misuse of benefits, and imposed stronger penalties and sanctions against violating retailers. And finally, we have provided resources to retailers and the general public about ways to fight and report program abuse.

But both stores and participants have a role in trafficking, and we support states in fighting recipient trafficking through predictive analytics, which can be paired with data on retailer disqualification, and excessive card replacements to target those most likely to traffic. These are just a few examples of actions and strategies now underway.

As a civil servant, I am happy to do my work outside of the spotlight. Congressional testimony is certainly a change of pace for me. But I am truly pleased to have the chance to talk with you today about the initiatives we have underway, to highlight the work of the hundreds of people at FNS and in the states around the country committed to, and involved in, strengthening of SNAP integrity. We focus on this work because it reflects the government that Americans expect and deserve, and because it is essential to meeting the program's mission, now and into the future.

I look forward to your questions. Thank you.

[The prepared statement of Ms. Shahin follows:]

PREPARED STATEMENT OF JESSICA SHAHIN, ASSOCIATE ADMINISTRATOR FOR SNAP, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Thank you, Chairman Conaway and Ranking Member Peterson for this opportunity to appear before you today. I am pleased to share what we are doing at the Food and Nutrition Service (FNS) to protect and ensure the integrity of the Supplemental Nutrition Assistance Program (SNAP). I am the Associate Administrator for SNAP, and have been the Program's career Senior Executive since 2004.

SNAP is the cornerstone of our nation's nutrition assistance safety net—providing access to food and lifting millions of Americans out of poverty as they participate. The program currently provides food assistance, nutrition education and work support services to 44.3 million low-income individuals according to the most recent month of data. In Fiscal Year (FY) 2014, 64 percent of SNAP participants were children, seniors, and those with disabilities and 42 percent of SNAP participants lived in a household with a currently working adult. Census-based estimates show that among SNAP households with at least one working-age, non-disabled adult, more than 80 percent work in the year before or after receiving SNAP benefits (Rosenbaum, 2013), an important reflection of who participates in this important nutrition safety net program.

SNAP provides critical nutrition assistance to low-income households. Ensuring the integrity of the program is imperative to make sure that this assistance remains available to the households who need it, and so is paramount to me personally, as

well as to the Agency. We define integrity broadly, to include ensuring the proper amount of benefits go to those who are eligible; ensuring that fraud and trafficking does not take place, and, when it does, that bad actors are held accountable; and, ensuring that states administer the Program in accordance with rules and regulations. That is our responsibility as the Federal oversight agency.

Today I will largely limit my remarks to the importance and activities associated with integrity and accountability. But before I do, I would like to make note of the core program attributes and the people served by this important nutrition assistance program.

Studies have shown that participating in SNAP is associated with a significant decrease in food insecurity and, in turn, helps to address a range of negative health outcomes that are associated with food insecurity. SNAP lifts millions of people out of poverty. Recent Census data indicate that 4.7 million people, including 2.1 million children, were lifted out of poverty due to SNAP benefits in 2014. The impact is greatest for the most poor, moving 13 percent of participating households from below to above 50 percent of the poverty line as it improves their well-being with better access to food resources. The Supplemental Poverty Measure shows that SNAP reduced child poverty by almost three percentage points in 2014—the largest child poverty impact of any safety net program other than refundable tax credits.

Evidence is clear that SNAP benefits increase household expenditures on food and reduce food insecurity. But SNAP does not just help relieve short-term hardship. A growing body of high-quality research shows that the impact of SNAP's benefits are especially evident and wide-ranging for those who receive food assistance as children. This impact extends beyond the immediate goal of alleviating hunger and includes improvements in short-run health and academic performance as well as in long-run health, educational attainment, and economic self-sufficiency among disadvantaged women.

SNAP also benefits local businesses and economies through its countercyclical design. During economic downturns, every $1 issued in SNAP benefits generates up to $1.80 in economic activity. Every time a family or individual uses SNAP benefits to put food on the table, it benefits the store and the employees where the purchase was made, the truck driver who delivered the food, the warehouses that stored it, the plant that processed it, and the farmer who produced the food. In short, SNAP strengthens low-income individuals, their families, and their communities.

SNAP operates with efficiency. Almost 95 percent of Federal SNAP spending goes directly to families to buy food. Most of the rest goes toward the Federal share of state administrative costs. Only a small portion goes to Federal administration, including oversight of state operations and monitoring of retailers that accept SNAP. Relative to other Federal means-tested programs, SNAP spends far less on program administration.

FNS and our state partners share in the administration of SNAP, including ensuring integrity in the program. At USDA, we establish rules and regulations, provide monitoring and oversight of state administration of the program, pay the full cost of SNAP benefits and pay half of the expenses incurred by the states to administer the program. We also provide technical assistance to states, including information and guidance about the many policy options and flexibilities available to states through regulations and statute. Overall, SNAP is a program that offers a great deal of state flexibility through options and waivers.

USDA takes the lead on the authorization, monitoring and oversight of retailers that redeem SNAP benefits—over 260,000 retailers around the country. On behalf of American taxpayers, we work in concert with the Department's Office of Inspector General (OIG) and in close coordination with the states that operate the program and others to protect the Federal investment in SNAP. We work together to make sure benefits are used as intended—for eligible food items. The biggest threat to this aspect of integrity is trafficking—the illegal sale or purchase of SNAP benefits for cash. FNS has focused resources at the doorstep of fraud and modernized our efforts using data analytics to root out and fight new tactics used by those who want to commit fraud. Retailers found trafficking are taken out of the program—permanently; other violations can result in monetary fines or temporary disqualification.

Our state agency partners are responsible for investigating participant fraud and punishing those found to be trafficking. Punishments can include permanent disqualification and even prosecution. According to the latest data available, in FY 2015, states conducted approximately 723,000 investigations resulting in over 46,500 disqualifications for recipient fraud and collected almost $86 million in fraud claims from households. The statute authorizes state agencies to retain 35 percent of the amount they collect on fraud claims. Currently, most of these claims are for fraud regarding efforts to collect benefits for which an individual or household is not eligible; however, we would like to see states focus more on the trafficking side as

well and have developed predictive analytic models that states can use and are requiring stepped up reporting on anti-fraud activities to encourage more activity in this area.

As vital as the program is to so many, and as well as it operates, we can all agree that it can do even better, and it is up to all of us, the Federal Government, the states, and the local providers to work together to improve it by holding ourselves accountable. FNS is committed to continually improving the integrity of SNAP. FNS has long recognized that SNAP cannot succeed without strong public confidence, so good stewardship of tax dollars is one of our most important objectives. That is why we continually strive to improve program oversight and to identify, penalize, and exclude those who seek to defraud the program. This is critical to preserving benefits for the vast majority of participants who play by the rules and need help to ensure their families have access to adequate and nutritious food.

With that background on our program, let me now talk about what we have accomplished. FNS has succeeded in reducing trafficking from about four percent to 1.3 percent over the last 20 years. While the trafficking rate is low, and 98.7 percent of the benefits are used properly, we continue to focus on this vital area because, when almost $70 billion (in FY 2015) in taxpayer supported benefits are involved, continuous attention, energy and diligence is required. The following list describes actions taken by FNS to improve integrity related to retailer trafficking.

- We have restructured our retailer management functions into a single cohesive, centralized business structure that allows us to better target resources to particular high-risk areas;
- We have used data analytics to examine EBT transactions at stores as well as other retailer information, to focus on the stores most likely to traffic;
- We have upgraded our Anti-fraud Locator Using Electronic Benefit Transfer Retailer Transactions (ALERT) system to stay in step with state of the art technology to better detect suspicious SNAP redemption activity across the country;
- FNS implemented policies that combat abuse and the misuse of benefits and imposes stronger penalties and sanctions against retailers who violate program rules; and
- We have provided resources to retailers and the public about ways to fight fraud and how to report abuses to help stop trafficking.

I am happy to report that our efforts, particularly those aimed at removing or preventing fraudulent retailers or those with other business integrity issues from participating in the Program, are working. In FY 2015, we issued sanctions against nearly 2,700 retailers who committed violations, reflecting an overall increase of 21 percent as compared to FY 2014.

More than 1,900 stores were permanently disqualified, let me say again, permanently disqualified for life, one of the toughest sanctions in the Federal Government, for trafficking or falsifying an application, and over 700 stores were sanctioned for other violations such as the sale of ineligible items using SNAP. Our strengthened vetting policies and procedures have increased our ability to prevent the authorization of firms that attempt to circumvent SNAP's business integrity rules. In 2015, there was a 254 percent increase in stores denied SNAP participation because of problems with business integrity of store ownership as compared to 2010.

Nevertheless, we continue to focus on improvement, particularly in the area of recipient trafficking. The Government Accountability Office (GAO) released a report a couple of years ago titled "Supplemental Nutrition Assistance Program: Enhanced Detection Tools and Reporting Could Improve Efforts to Combat Recipient Fraud." As noted in their report, FNS was already working to improve tools and technical assistance to states in this area; however, GAO also noted more could be done and recommended that FNS reassess current detection tools, reassess current financial incentives and issue guidance to assist states further in their efforts to detect fraud and report on their efforts. FNS agreed. Indeed, we had already begun the process. FNS issued almost $15 million in grants to states to improve detection, investigation and prosecution of recipient trafficking. These projects focused on the use of technology and data analytics to improve and better track outcomes.

- We contracted with one of the nation's premier data analytics consulting firms to improve business processes in this area and use cutting edge technology to build a model using predictive analytics to help states more effectively identify SNAP recipient trafficking. The models use a variety of eligibility and transaction data, including card replacement data.

- FNS has completed studies in seven SNAP state agencies: New York (Onondaga County), Pennsylvania, South Carolina, Wisconsin (Milwaukee County), California (Sacramento County), and Texas.
- The preliminary results demonstrated success so this year we added four additional states Arizona, District of Columbia, Utah, and Washington to share this proven data analytics model.

Predictive data analytics, when paired with relevant information such as retailer disqualifications and excessive requests for card replacements, can be most effective in targeting the most likely trafficking participants. Let me highlight a couple of examples of how working with states, FNS has helped to reduce trafficking. Texas, my home state, is a state with strong controls to prevent and investigate recipient fraud—the state operates an in-house data analytics program to identify and root out potential recipient trafficking. They also have strong business processes around their anti-fraud activities and have had significant success in this area. The State of South Carolina is also performing strongly, with over 83 percent of its investigations of potential trafficking now converted into successful disqualifications. This represents an increase of 22 percentage points from the state's investigation success rate prior to using FNS's model. Between March 2015, when FNS implemented the model, and December 2015, South Carolina disqualified 185 recipients for trafficking, representing a cost avoidance of just over $1 million. While these are examples of strong state efforts in the recipient trafficking arena, there is still much more than can be done.

We are revising our state reporting form to provide FNS with more thorough and complete information on state anti-fraud activities and results. With this change, we will soon be in a better position to have more accurate information on what states are doing to combat trafficking and other forms of fraud, and be able to better analyze trends and returns on investment in state anti-fraud activities.

FNS has also focused on enhancing tools to help combat recipient trafficking. In 2015, FNS conducted a pilot in Washington State to test innovative strategies for investigating and preventing trafficking attempts of SNAP benefits through social media websites. We are using lessons learned from these pilots to update our guidance to states for effectively combating such attempts, which we expect to release later this year.

We are also enhancing our work with our state partners on combating recipient fraud. USDA continues to establish State Law Enforcement Bureau (SLEB) agreements with states, harnessing their additional law enforcement resources. The 2014 Farm Bill strengthened our ability to use these relationships to maintain focus on and expand recipient investigations in states as well. USDA continues to refer clients with suspicious transaction patterns at disqualified retailers to states for further investigation and encourages states to use that information to investigate and take action against clients believed to have trafficked.

There have been recent discussions on allowing states to do more in the retailer trafficking arena, including the possibility of states taking over all retailer investigative and prosecution activities. We are always willing to avail ourselves of state assistance with retailer fraud in a coordinated manner and do so through SLEB agreements. However, consistent with provisions of the 2014 Farm Bill, we expect states to focus on the recipient trafficking side before engaging in a significant way with retailers. As such, USDA encourages states to take advantage of tools USDA has made available that can assist in the detection, investigation and prosecution of recipient fraud. We will continue to improve the tools available to states, provide technical assistance on how to use these tools, and share promising practices. States must pay close attention to recipients who request multiple EBT replacement cards. Though there may be a perfectly reasonable explanation, this is an indicator of fraud in certain circumstances. In fact, our data analytics project found that excessive card replacement requests is one of the leading indicators of potential trafficking. By SNAP regulation, states have the option to call clients into the local office after the fourth request for a replacement card before issuing a new one; yet, to date, very few states have taken that option. States need to recognize the predictive value of these data and take full advantage of a proven successful option that is available to them.

Another key component to effective state strategies for combating fraud is client education. FNS recently released an education package to help state agencies communicate the rules and the responsibilities involved with the program to participating recipients. Education such as this encourages voluntary compliance and prevents SNAP trafficking up front. In this area, as with others, states vary in their focus and level of effort. There is room for states to do more education about SNAP rules with participating households.

Other Integrity Efforts

While cases of duplicate participation (*i.e.,* households simultaneously certified for benefits in two states) are low, it is another issue that USDA takes very seriously. USDA supported a pilot project in conjunction with OMB's Partnership for Program Integrity and Innovation and a five state consortium to develop the National Accuracy Clearinghouse (NAC). The NAC established a database pilot to test a shared data clearinghouse that allows the pilot states to check in real, or near-real, time whether a SNAP applicant is already receiving SNAP benefits in another pilot state. The final report indicates that the NAC reduced duplicate participation in all five pilot states, though effectiveness varied by the level of automation each state was able to implement. Although duplicate participation is already low, states saw significant reductions in duplicate participation from pre-pilot levels. FNS has urged states for a number of years to consider data-matching agreements with border states that have mobile populations and the pilot reinforces this type of data sharing. Massachusetts and New York are examples of states that are already doing this type of match via a low tech data batching approach. Other states could do the same.

USDA and states have worked together for many years to reduce payment errors in SNAP—indeed, improper payments in SNAP are among the lowest in the Federal Government. Improper payments are different from fraud—the vast majority of improper payments, including both over-payments and under-payments, are the result of mistakes on the part of states administering the program and households applying for or participating in the program.

Our efforts to improve SNAP program integrity while ensuring access to benefits for people in need of food assistance rely on a strong partnership between FNS and our State Agency partners. We have worked together to strengthen the ability of states to correctly determine eligibility and benefit amounts through policy simplification, improved use of technology, and business process reengineering.

The primary way we work with states to identify and reduce payment errors is through the SNAP Quality Control (QC) system. QC is the process by which states review a sample of SNAP cases and determine the states' rates of improper payments—both over- and under-payments—on an annual basis. These rates are then aggregated into the national error rate for SNAP and used to determine state bonuses and liabilities for payment accuracy. FNS also reviews a sample of the state files to provide oversight of states' QC processes.

To be clear, when we are talking about error rates, we are talking about measuring proper administration of the program, including whether the program's administrative processes correctly determine eligibility and compute benefits for those households found eligible. Most errors stem from unintentional mistakes on the part of the state agency or the household, not fraud. The majority of the errors (62 percent) are State Agency errors, while 38 percent are client errors. If an improper payment is determined to be an intentional program violation on the part of the client, they are disqualified from the program and must pay the funds back to the government.

In FY 2015, USDA began a process to assess and implement a thorough review of the SNAP QC system in all 53 states to ensure state administration of SNAP was in line with Federal rules and regulations. We have completed reviews of 33 state agencies and will complete all reviews by December 2016, at which time USDA will release an updated SNAP error rate for FY 2015. In states where problems with the QC system are found, USDA requires states to take immediate corrective action and USDA will provide close oversight to ensure these actions are taken.

The ongoing review is part of an effort to ensure state compliance with Federal rules and regulations related to the reporting of improper payments and to ensure accountability to the taxpayers who support this important nutrition program. The ongoing reviews look at both intentional and unintentional state non-compliance in the QC process, such as states misinterpreting FNS QC requirements or providing inadequate oversight of the state QC review process or a lack of cooperation with FNS QC monitoring efforts. Let me be clear, the quality control issues we have found in some states reflect actions by *states,* not by low-income households participating in SNAP.

We take our oversight responsibility seriously and, while the reviews continue, USDA is working internally and with states to ensure all processes are fully up to date and consistent with Federal guidelines as well as recommendations from the USDA Office of Inspector General audit published September 30, 2015, which raised a number of issues with state administration of the quality control system. I am pleased to report that we now have reached agreement on all 19 audit recommendations from the OIG report.

USDA has a responsibility in the QC process and FNS will implement additional activities within the next 90 days to both improve state QC operations and to ensure that FNS's oversight of QC systems is robust. This includes establishing a new national QC training curriculum which we will use to train QC staff over the next 6 months, revising FNS' QC policy guidance to clarify rules and procedures, and developing a new QC integrity management evaluation guide that FNS oversight staff will use to regularly re-assess state operations. USDA will also strengthen the current training of Federal QC reviewers through development of a policy-focused curriculum that will be completed by the end of the fiscal year.

Conclusion

Proper stewardship of Federal funds is intrinsically linked to constant and vigilant attention to program integrity and proper implementation of our role in oversight and monitoring of state program operations. And although the vast majority of those involved with SNAP, recipients as well as retailers, are honest and abide by the rules, we cannot accept or tolerate any fraud or abuse. The nation entrusts us—USDA and our partner states—to administer SNAP, a program funded by the American taxpayer with accountability and integrity. Americans expect and deserve a government that ensures their tax dollars are managed efficiently and with integrity. To sustain public confidence in these programs, we must meet this expectation.

FNS will continue to pay close attention to these issues and to act to reduce fraud and improper payments. We will continue to work with states, to ensure they take the actions necessary to protect the integrity of this critical program. We are stepping up our Federal efforts to combat retailer fraud and to ensure that state procedures are in line with all Federal requirements. I speak for all of my colleagues at FNS when I say that ensuring that SNAP meets the highest standards of integrity is a top priority and central to our efforts to ensure that those who need help affording food get the help they need. I appreciate the Committee's interest in promoting and improving SNAP integrity, and I look forward to working with this Committee and Congress to keep public confidence in this vital program. I would be happy to answer any questions you may have at this time.

The CHAIRMAN. Ms. Brown, 5 minutes.

STATEMENT OF KAY E. BROWN, DIRECTOR, EDUCATION, WORKFORCE, AND INCOME SECURITY, U.S. GOVERNMENT ACCOUNTABILITY OFFICE, WASHINGTON, D.C.

Ms. BROWN. Chairman Conaway, Ranking Member Peterson, and Members of the Committee, I am pleased to be here today to discuss our work on error rates and fraud in SNAP. My remarks are based on our recently completed work on program policies that can affect the error rate, and our 2014 report on fraud by SNAP recipients.

First, on how SNAP policies can affect program error rates. Since 1977, USDA's quality control system has provided an estimate of SNAP benefits that were paid either in the wrong amounts, or to persons not eligible to receive them. This error rate also serves as the program's improper payment rate, which is reported to OMB annually. In recent years, this SNAP error rate has been on a mostly downward trend, and has reached all-time lows. However, OMB still considers SNAP a high error program. Because it is so large, even a 3.7 percent error rate in 2014 resulted in $2.6 billion in improper payments.

These improper payments can be caused by either the applicant or the caseworker. Many factors must be considered when determining eligibility, creating multiple opportunities for error. And the most common source of error is determining the applicant's income. We found that when states adopted options or waivers that simplified program requirements, such as when to report income changes, these actions likely contributed to a decline in payment

errors. Most, but not all, of the options and waivers we reviewed had this likely effect.

On the other hand, a few program changes likely led to an increase in the error rate; notably the threshold tolerance level changed from $50 to $37 in 2014. This is the dollar amount below which errors are not included in the error rate calculation. What this means is that when the threshold was $50, a monthly benefit error of $40 would not have been counted in the error rate calculation, but when the threshold was changed to $37, that same $40 error would have been counted in the calculation because it exceeded the threshold. USDA reported that this threshold change increased the error rate for 2014.

In our review, we also compared the methodology for calculating the SNAP error rate with that of three other programs for low-income families; SSI, Medicaid, and EITC. We found some similarities and some differences in how reviews of cases were conducted, and which cases were factored into the error rate calculation. And, for example again, SNAP was the only program that had an error tolerance threshold.

I should mention that we just recently learned that USDA would not be releasing its 2015 error rate on time, and is in the process of reviewing all state quality control systems, stemming from a review by USDA's Office of the Inspector General. This raises some concerns about the integrity of how the quality control process is implemented, and we look forward to learning more about the results of the state reviews and the effect on the national error rate.

Turning now to recipient fraud. This can occur when applicants provide false or misleading information to obtain benefits, or when recipients misuse benefits by exchanging them for cash or nonfood goods or services, known as trafficking. We studied the efforts of 11 selected states to address recipient fraud, and found that most of the states had difficulties conducting fraud investigations, particularly in light of the growth in the number of participants at that time. Also, the resources states dedicated to their investigative units varied widely. We recommended that USDA reassess its financial incentives for state anti-fraud efforts.

We also found that the tools USDA recommended states use to detect online trafficking were of limited use. USDA's guidance on recipients who requested multiple EBT cards did not necessarily help states detect whether this involved fraud, and states were not submitting reliable data on their anti-fraud activities due to unclear reporting guidance. We made recommendations in each of these areas and USDA is taking steps to address them, but has yet to finalize action on any of them.

In conclusion, SNAP provides important benefits to millions. Given the significant size of the program and the reality of constrained public resources, it is vital that USDA make every effort to make sure SNAP benefits are paid accurately, and the funds are used for their intended purpose.

This concludes my statement. I am happy to answer any questions you have.

[The prepared statement of Ms. Brown follows:]

PREPARED STATEMENT OF KAY E. BROWN, DIRECTOR, EDUCATION, WORKFORCE, AND INCOME SECURITY, U.S. GOVERNMENT ACCOUNTABILITY OFFICE, WASHINGTON, D.C.

Supplemental Nutrition Assistance Program—Policy Changes and Calculation Methods Likely Affect Improper Payment Rates, and USDA Is Taking Steps to Help Address Recipient Fraud

GAO Highlights

Why GAO Did This Study

In Fiscal Year 2015, SNAP, the nation's largest nutrition assistance program, provided about 46 million low-income people with $70 billion in benefits. USDA and the states partner to operate the program and address issues that affect program integrity, including improper payments and fraud.

This testimony summarizes GAO's recently completed work on SNAP improper payment rates and GAO's 2014 report on recipient fraud. It addresses: (1) the effects of SNAP policies on the rates; (2) how the SNAP improper payment rate calculation methodology compares to those of other Federal programs for low-income individuals; and (3) GAO's 2014 findings on efforts to combat SNAP recipient fraud. GAO reviewed relevant Federal laws, regulations, guidance, documents, and program data; interviewed relevant Federal officials; and gathered information from states. For the 2014 report, GAO also interviewed officials from 11 states that served about ⅓ of all SNAP recipient households, though GAO's results are not generalizable to all states. This testimony also includes USDA's actions to date on GAO's 2014 recommendations.

What GAO Recommends

In 2014, GAO recommended that USDA take several steps to improve state financial incentives, fraud detection tools, and reporting methods. USDA agreed with these recommendations and has taken some steps to address them. GAO is not making new recommendations at this time.

View GAO–16–708T (*http://www.gao.gov/products/GAO-16-708T*). For more information, contact Kay E. Brown at (202) 512–7215 or *brownke@gao.gov*.

What GAO Found

Over the last 10 years, the U.S. Department of Agriculture (USDA) has reported that improper payment rates for the Supplemental Nutrition Assistance Program (SNAP) have ranged from an estimated 5.8 percent to 3.2 percent of all payments, likely reflecting, in part, certain policy changes and calculation methods. Many factors affect low-income households' eligibility for SNAP and the amount of benefits they receive, creating multiple opportunities for errors in the eligibility determination process conducted by states. However, GAO found that certain state or Federal program changes can affect the likelihood of these errors. For example, when states adopted available policy flexibilities that simplified or lessened participant reporting requirements, these changes reduced the opportunity for error and led to a decline in the improper payment rate, according to a USDA study. Conversely, other changes may have led to an increase in the improper payment rate. USDA cited the change from only counting errors over $50 in the rate to counting all errors over $37 as a key factor in an increase in the rate in Fiscal Year 2014.

SNAP's improper payment rate calculation methodology is generally similar to that used by other large Federal programs for low-income individuals, including Medicaid, the Earned Income Tax Credit, and Supplemental Security Income (SSI), though some differences may affect the resulting program improper payment rates. To generate improper payment rates, all four programs draw representative samples of their recipients and report their improper payment rates at high levels of precision. Yet, some methodological differences among the programs likely affect the resulting rates. For example, when there is insufficient information to review eligibility and benefit determination for a selected case under review, Medicaid counts the full benefit amount as an error, SNAP makes an adjustment in the improper payment rate calculation but does not include the full benefit amount as an error, and SSI removes such cases entirely from the sample.

Fraud is also a key indicator of program integrity, and in 2014, GAO found that selected states employed a range of tools to detect potential SNAP recipient fraud, though they faced some challenges. Recipient fraud can occur when applicants make false or misleading statements to obtain benefits or when recipients misuse benefits by exchanging them for cash or non-food goods or services. All 11 selected states that GAO reviewed matched information provided by SNAP applicants and recipients against various data sources to check for accuracy, but efforts varied widely among these states. Some states suggested changing the financial incentive struc-

ture to promote fraud investigations. Some states also reported limitations of USDA's required approach to monitoring benefit card replacements, and GAO developed a more targeted approach by combining data sources to identify households potentially engaged in trafficking. In addition, although USDA had increased its oversight of state anti-fraud activities since Fiscal Year 2011, GAO found that USDA did not have consistent and reliable data on states' activities because its reporting guidance lacked specificity. This limited USDA's ability to monitor states and find more effective ways to combat recipient fraud.

Chairman Conaway, Ranking Member Peterson, and Members of the Committee:

Thank you for the opportunity to discuss our work on improper payments and fraud in the U.S. Department of Agriculture's (USDA) Supplemental Nutrition Assistance Program (SNAP), previously known as the Food Stamp Program. During Fiscal Year 2015, SNAP provided food and nutrition assistance to almost 46 million individuals for a total of approximately $70 billion in benefits for the year. SNAP benefits are provided to low-income households; state agencies administer the program to assess applicants' eligibility and determine benefit amounts. Because many factors affect eligibility and benefit determination, there are multiple opportunities for errors to occur in this process that may result in improper payments. Improper payments are payments to individuals that were made in an incorrect amount or should not have been made at all, including both overpayments and underpayments. Improper payments may be caused by caseworker or participant errors. The Office of Management and Budget (OMB) has designated SNAP as a high-error program due to the estimated dollar amount in improper payments. Specifically, for SNAP payments made in Fiscal Year 2014, USDA reported in its Fiscal Year 2015 agency financial report that $2.6 billion, or 3.66 percent of all payments were improper.[1] Other large Federal programs for low-income individuals, such as the Earned Income Tax Credit (EITC), Medicaid, and Supplemental Security Income (SSI), currently report improper payment rates greater than SNAP's rate.

In addition, while some SNAP participants make unintentional errors that result in improper payments, others make intentional errors or misuse their benefits, practices which are considered fraud. USDA's Food and Nutrition Service (FNS), in partnership with state agencies, is tasked with establishing the proper agency controls that help ensure SNAP program funds are used for their intended purpose. However, FNS program officials have had long-standing concerns that some recipients can falsify information to receive benefits, or misuse their benefits to solicit or obtain non-food goods, services, and cash—a practice known as trafficking.

SNAP fraud is also committed by retailers approved to accept SNAP benefits who engage in trafficking. State agencies are directly responsible for detecting, investigating, and prosecuting recipient fraud, and FNS is responsible for pursuing retailer fraud. SNAP fraud committed by recipients and retailers undermines the integrity of the program and the public's confidence in the program.

My testimony today summarizes the results of our recently completed work on SNAP improper payment rates and our 2014 report on recipient fraud. Specifically, I will discuss: (1) the effects of SNAP policies on the improper payment rates; (2) how the SNAP improper payment rate calculation methodology compares to those of other Federal programs for low-income individuals; and (3) our 2014 findings on efforts to combat SNAP recipient fraud.

For our recently completed work on SNAP improper payment rates, we reviewed relevant Federal laws and regulations, as well as USDA policy memos that provided SNAP policy guidance to states.[2] We also reviewed state SNAP waivers approved by USDA and state policy options.[3] To assess change over time, we analyzed states' adoption of certain options since 2003 that have the potential to affect a large portion of the eligible population.[4] To assess the expected effect of policy changes on

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[1] USDA, *Agency Financial Report: Creating a USDA for the 21st Century,* Fiscal Year 2015.

[2] We reviewed SNAP policy guidance issued to states from Fiscal Year 2006 through Fiscal Year 2015.

[3] State policy options are flexibilities set forth in Federal law or regulation that permit states to use alternative procedures when administering their SNAP program. We reviewed USDA's SNAP Certification Policy Waiver Database (updated as of March 2016) and state options identified in USDA's SNAP State Options Report for September 2013 (a state options report with information as of October 2015 was subsequently released, after we had completed our review). See *Appendix I* for more information on state flexibilities.

[4] To assess change over time, we also analyzed states' adoption of certain options from May 2003 to September 2013, that have the potential to affect a large portion of the eligible population, for example, by affecting reporting requirements or income eligibility guidelines. Such op-

Continued

the SNAP improper payment rate, we reviewed prior GAO work, and FNS and USDA Office of Inspector General (OIG) documents, that describe the characteristics of policies that may affect the improper payment rate.[5]

We analyzed which Federal and state policy changes had these characteristics, and then we assessed the likely cumulative expected directional effect of each policy on the improper payment rate. To obtain information on states' opinions regarding SNAP changes and other factors that may have affected SNAP improper payment rates, we administered a questionnaire by e-mail to state SNAP directors of all 50 states and the District of Columbia from February through May 2016. Where necessary, we followed up with states to clarify their responses and obtained a 100 percent response rate. While we did not validate specific information administrators reported through our survey, we reviewed their responses and conducted follow-up, as necessary, to determine that their responses were complete, reasonable, and sufficiently reliable for the purposes of this statement.[6] To compare SNAP's improper rate calculation methodology to other means-tested programs, we selected three Federal programs for low-income individuals: EITC, Medicaid,[7] and SSI. These programs, together with SNAP, comprise almost ⅔ of Federal low-income obligations, and together encompass both state and federally administered programs. Like SNAP, these programs are also included in the Federal Government's Payment Accuracy website's high improper payment programs list.[8] For each of the programs, we reviewed the relevant agency financial reports, program data, and program documents, as well as relevant OIG reports and GAO reports, and we interviewed program officials involved with improper payment rate calculation.

For our 2014 report, we focused on Federal and state efforts to combat SNAP recipient fraud for Fiscal Years 2009 to 2014.[9] We reviewed relevant Federal laws, regulations, program guidance and reports, and we interviewed FNS officials in headquarters and all seven regional offices. We also interviewed knowledgeable state and local officials about their recipient anti-fraud work and obtained related documentation in 11 states.[10] Further, we took steps to assess the use of monthly benefit data and website monitoring tools to detect potential SNAP fraud. More detailed information about our objectives, scope, and methodology can be found in our issued report. This testimony also includes updates on the status of our recommendations from the 2014 report, as of June 2016, which were obtained by contacting agency officials and reviewing relevant documents.[11] We shared a draft of this statement with the relevant agencies and incorporated technical comments as appropriate.

The work upon which this statement is based was in accordance with generally accepted government auditing standards. Those standards require that we plan and

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tions include simplified reporting, broad-based categorical eligibility, and the simplified standard utility allowance.

[5] We also reviewed our prior work and USDA reports issued since 2004 that analyzed the effect of certain state flexibilities on improper payment rates.

[6] Also, as part of our survey development, we pre-tested the questionnaire with four states and had internal and external experts review it, and incorporated comments as appropriate.

[7] The Department of Health and Human Services (HHS) measures and reports Medicaid improper payments in three component areas: fee-for-service claims, managed care, and eligibility. For the purposes of this report, we reviewed the eligibility component's improper payment rate methodology. HHS's Centers for Medicare and Medicaid Services (CMS) recently proposed changes to the calculation of Medicaid improper payments rates. *Medicaid/CHIP Program; Medicaid Program and Children's Health Insurance Program (CHIP); Changes to the Medicaid Eligibility Quality Control and Payment Error Rate Measurement Programs in Response to the Affordable Care Act.,* 81 FED. REG. 40596 (proposed June 22, 2016). These proposed changes were outside the scope of our review.

[8] We have also included these programs in our prior work that identifies high improper payment programs. See, GAO, *Fiscal Outlook: Addressing Improper Payments and the Tax Gap Would Improve the Government's Fiscal Position,* GAO16–92T, (Washington, D.C.: October 1, 2015).

[9] See GAO, *Supplemental Nutrition Assistance Program: Enhanced Detection Tools and Reporting Could Improve Efforts to Combat Recipient Fraud,* GAO–14–641 (*http://www.gao.gov/products/GAO-14-641*) (Washington, D.C.: August 21, 2014).

[10] The 11 states in our review were: Florida, Maine, Massachusetts, Michigan, Nebraska, New Jersey, North Carolina, Tennessee, Texas, Utah, and Wyoming. The states served about ⅓ of all SNAP recipient households, though our results are not generalizable to all states. We chose these states to achieve variation in geographic location, and a mix of high, medium and low SNAP improper payment rates, percent of the total number of SNAP households nationwide, and proportion of recipients whom state officials reported as disqualified from the program due to non-compliance.

[11] See GAO, *Supplemental Nutrition Assistance Program: Enhanced Detection Tools and Reporting to Combat Recipient Fraud Are in Development,* GAO–16–719T (*http://www.gao.gov/products/GAO-16-719*) (Washington, D.C.: June 9, 2016.)

perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

SNAP, formerly known as the Federal Food Stamp Program, is intended to help low-income individuals and families obtain a better diet by supplementing their income with benefits to purchase food. The Federal Government pays the full cost of SNAP benefits and shares the costs of administering the program with the states.[12] FNS is responsible for promulgating program regulations, ensuring that state officials administer the program in compliance with program rules, and authorizing and monitoring retailers who accept SNAP benefits in exchange for food. The states administer the program by determining whether households meet the program's eligibility requirements, calculating the amount of their monthly benefits, and issuing benefits on Electronic Benefit Transfer (EBT) cards, as well as investigating possible program violations by benefit recipients.

Determination of Eligibility and Benefits

A household's eligibility for participation in SNAP is determined based on basic, non-financial, program requirements and the income and resources of its members. Non-financial program requirements include such things as residency and citizenship status. To determine financial eligibility, the caseworker first calculates the household's gross income, which generally cannot exceed 130 percent of the Federal poverty guidelines (100 percent of the poverty guidelines in certain circumstances). Then the caseworker determines the household's net income, which generally cannot exceed 100 percent of the poverty guidelines. Net income is determined by deducting certain expenses from gross income, such as dependent care costs, medical expenses, utilities costs, and shelter expenses. Information on the household's resources (such as bank accounts and certain vehicles) may also be collected to assess whether these exceed defined limits. The net monthly income amount is then used in determining the household's benefit amount, subject to maximum benefit limits.[13] After eligibility is established, households are certified to receive benefits for periods ranging from 1 to 24 months depending upon household circumstances. Once the certification period ends, there is a recertification process whereby households reapply for benefits, at which time eligibility and benefit levels are redetermined.

State Options and Waivers

While many of the rules governing SNAP are set at the Federal level and apply uniformly in all states, states are also allowed flexibility in establishing some state-specific policy modifications through the use of options and waivers. SNAP's statutes and regulations provide state agencies with various policy options. In contrast, waivers require states to obtain FNS's permission before they are implemented. According to USDA, states adopt these flexibilities to better target benefits to those most in need, streamline program administration and operations, and coordinate SNAP with other programs. For example, one state option pertaining to reporting requirements, called simplified reporting, only requires households to report changes when their income rises above a certain level. In contrast, households for which this option does not apply are required to report changes more frequently. Another state option, broad-based categorical eligibility (BBCE), allows states to make households that receive non-cash services funded by Temporary Assistance for Needy Families (TANF), such as a toll-free number to obtain program information or an informational brochure, automatically eligible for SNAP.[14] Through this option, the TANF non-cash service income and asset requirements become those relevant for SNAP, which we previously reported, resulted in some states effectively removing or in-

[12] For purposes of SNAP, states include the 50 states, the District of Columbia, Guam, the U.S. Virgin Islands, and reservations of Indian Tribes who meet the requirements for participating as a state agency.

[13] FNS sets the SNAP maximum monthly benefit by household size. The maximum monthly benefit in Fiscal Year 2016 for a household of three is $511 for the 48 contiguous states and the District of Columbia. Guam, the U.S. Virgin Islands, Alaska and Hawaii have higher maximum monthly benefit levels.

[14] The TANF block grant, which is administered by HHS, provides Federal funding to states, which they are required to supplement with their own funds, to provide cash assistance and a variety of other benefits and services to meet the needs of low-income families with children.

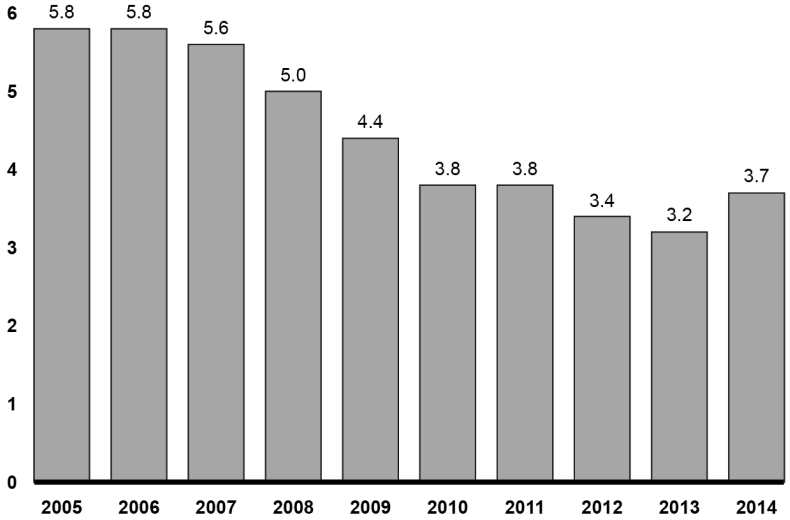
creasing SNAP asset limits, raising the SNAP gross income limit, and removing the SNAP net income limit.[15]

SNAP Improper Payment Rates

According to USDA, for the most recent 10 years for which there are SNAP improper payment rate estimates available (for benefits paid in Fiscal Years 2005–2014), the national SNAP improper payment rate, combining both overpayments and underpayments, has declined or stayed the same in all but Fiscal Year 2014, as shown in *Figure 1.* For benefits paid in Fiscal Year 2014—the most recent year for which data are available—the rate increased to 3.66 percent from a low of 3.20 percent in Fiscal Year 2013. State-specific improper payment rates varied among states; for example, in Fiscal Year 2014, states' improper payment rates ranged from 0.42 percent to 7.61 percent.

Figure 1: SNAP U.S. Estimated Improper Payment Rate for Benefits Paid in Fiscal Years 2005–2014

Percentage of Supplemental Nutrition Assistance Program (SNAP) Benefits



Source: U.S. Department of Agriculture (USDA) data.|GAO–16–708T.

Note: Improper payment rate estimates shown in this figure for Fiscal Years 2007–2014 have a margin of error no greater than plus or minus 0.33 percentage points at the 95 percent level of confidence. Confidence level and margin of error information were not available from USDA's Performance and Accountability Reports for Fiscal Years 2005 and 2006.

For purposes of government-wide reporting, such as at the Federal Government's Payment Accuracy website, SNAP's improper payment rates may be reflected as the fiscal year in which they are reported in the USDA agency financial report, not the year in which benefits were paid.

According to USDA, SNAP improper payments are caused by variances in any of the key factors involved in determining SNAP eligibility and benefit amounts, and household income was the most common primary cause of dollar errors; accounting for more than half of the variances for improper payments in Fiscal Year 2013.[16] A variance occurs when a quality control reviewer finds the incorrect application of policy, the basis of issuance is incorrect, or there is a difference between the information that was used and the information that should have been used to determine

[15] GAO, *Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed,* GAO–12–670 (*http://www.gao.gov/products/GAO-12-670*) (Washington, D.C.: July 26, 2012).

[16] Fiscal year 2013 is the latest year for which this information is available. Income variances accounted for 57 percent of improper payment cases, while deduction variances accounted for 27 percent, non-financial variances for 14 percent, and income and other variances each at one percent.

a household's monthly SNAP benefit amount. Cases may have multiple variances that result in benefit errors. Further, SNAP errors result from administrative as well as recipient errors. In Fiscal Year 2013, USDA reported that 62.44 percent of errors were because of administrative errors by the state agencies, and 37.27 percent of errors were because of recipient errors. Some of the errors may be attributable to recipient fraud; however, the magnitude of such program abuse is unknown.

Quality Control System

In response to a requirement in Federal law, FNS developed its original quality control process for SNAP in 1977 to track and measure errors in both eligibility and benefit determinations for the program. According to FNS officials, each month, a state's SNAP quality control staff selects for review a representative sample of households that received SNAP benefits.[17] The quality control staff review each sample case, both by reviewing the recipient household's file and contacting the recipient, to verify whether the recipient's eligibility and benefit amount were determined correctly. If the reviewer finds that someone was incorrectly deemed eligible, the entire amount of the benefit is counted as an error. If the reviewer finds that the benefit amount provided to the recipient differs from the correct benefit amount by more than a specified dollar amount, $37 in Fiscal Year 2014, the difference between the amount disbursed and the correct amount is counted as an error. Cases that are identified as "not subject to review" or that the reviewer cannot complete, such as those for which the reviewer is unable to establish contact with the recipient or verify income information, are removed from the sample. The statewide sample is designed to produce a valid statewide improper payment rate, which is the sum of the overpayments and underpayments divided by the value of all payments.[18] Some of these erroneous payments may be due to fraud, but others may be due to unintentional caseworker or participant error.

FNS regional offices are to approve the states' sampling plans, validate the states' samples, and review a subsample of the states' reviews to ensure accuracy. They also are to handle informal resolution discussions with states regarding disputes resulting from differences between the state and FNS reviews. Disputes that are not resolved informally can be appealed to FNS for arbitration. According to FNS officials, upon the completion of this process, the improper payment rates are adjusted to reflect the final results. FNS makes a further adjustment of a state's error rate if more than two percent of the state's cases selected for review could not be completed. FNS then combines the adjusted states' improper payment rates, weighting each state's improper payment rate by its actual caseload, to determine a national improper payment rate.

Once the Federal adjustments are made to states' error rates, FNS imposes penalties or provides bonuses to certain states based on various measures related to states' payment accuracy and other measures.[19]

In 2015, USDA began a review of state quality control systems in all states in response to a report from its OIG that identified concerns in the application of the quality control process. On June 24, 2016, USDA notified the states that it had completed reviews in 33 states and expected to complete the remaining reviews no later than December 31, 2016, at which time it would release a national error rate for payments made in Fiscal Year 2015. In its letter to state officials, USDA explained that the ongoing review is looking at both intentional and unintentional non-compliance in the quality control process by states, such as misinterpreting FNS requirements or providing inadequate oversight of the quality control review process itself. States will receive a written report documenting any violations and outlining required corrective action steps, according to USDA. The effect of these ongoing reviews on the SNAP error rates is unknown at this time.

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[17] Closed cases for which benefits were denied, suspended, or terminated are also sampled and reviewed and an error rate is determined for such cases. This error rate is termed the Case and Procedural Error Rate (CAPER). This statement focuses on active case errors, and not CAPER.

[18] However, in an OIG report published in September 2015, the OIG noted that the application of the methodology for estimating FNS' SNAP improper payment rate needed improvement. The OIG found that states weakened the quality control process by using third-party consultants and error review committees to mitigate individual quality control-identified errors, rather than improve eligibility determinations; and quality control staff also treated error cases non-uniformly. The OIG concluded that FNS' quality control process may have understated SNAP's improper payment rate. USDA, Office of Inspector General, *FNS Quality Control Process for SNAP Error Rate,* September 2015.

[19] In addition to payment accuracy measures, bonuses are given for states' rates of improper denials, suspensions, and terminations; states' level of program access; and states' application processing timeliness.

SNAP Fraud

FNS and state agencies are both responsible for addressing SNAP fraud. Acts of SNAP fraud include recipients making false or misleading statements in order to obtain benefits, as well as recipients and retailers engaging in SNAP trafficking—using benefits in unallowable ways, such as by exchanging benefits for cash or non-food goods and services, or attempting to do so. State agencies are directly responsible for detecting, investigating, and prosecuting recipient fraud, and FNS is responsible for providing guidance and monitoring these state activities. FNS also investigates and resolves cases of retailer fraud.

According to a September 2012 USDA OIG report, the magnitude of program abuse due to recipient fraud is unknown because states do not have uniform ways of compiling the data that would provide such information.[20] As a result, the USDA OIG recommended that FNS determine the feasibility of creating a uniform methodology for states to calculate their recipient fraud rate. FNS reported that it took action on this recommendation, but ultimately determined that it would be infeasible to implement as it would require legislative authority mandating significant state investment of time and resources in investigating, prosecuting and reporting fraud beyond current requirements.

Other Federal Programs for Low-Income Individuals

We have reported that Medicaid, SSI, and the EITC, together with SNAP, comprise almost ⅔ of Federal low-income obligations.[21] These programs for low-income individuals, along with SNAP, are included in the Federal Government's Payment Accuracy website list of programs with high improper payments reported to OMB.

- Medicaid is administered by the Department of Health and Human Services' (HHS) Centers for Medicare & Medicaid Services (CMS) in partnership with the states, and it finances health insurance coverage for certain low-income individuals, children, and families. The Medicaid program also provides long-term care services and support to individuals who meet certain financial and functional criteria. HHS measures and reports Medicaid improper payments in three component areas: fee-for-service claims, managed care, and eligibility. For the purposes of this statement, we reviewed the eligibility component's improper payment rate.[22]
- SSI, administered by the Social Security Administration (SSA), provides monthly cash assistance benefits to elderly individuals, as well as blind or disabled adults and children, who have limited income and resources.
- EITC, administered by the Internal Revenue Service (IRS), provides a tax credit to low-income Americans who work and claim the EITC on their tax returns. Because the EITC is a refundable tax credit, the amount claimed by the taxpayer as a refund can exceed the taxpayer's income tax liability.

States' Adoption of Program Flexibilities and Changes in Federal Policy Likely Affected Payment Errors

States' Adoption of Certain Program Flexibilities Likely Reduced Payment Errors, Due in Part to Simplified Program Requirements

The majority of state SNAP policy flexibilities allowed under Federal statutes and regulations, likely reduced payment errors by simplifying program requirements or modifying procedures, based on our review of these policies.[23] For example, flexibilities that simplified program requirements allowed states to require less information from applicants and participants for eligibility and benefit determination, resulting

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[20] USDA OIG, *Analysis of FNS' Supplemental Nutrition Assistance Program Fraud Prevention and Detection Efforts.* Audit Report 27002–0011–13 (Washington, D.C.: Sept. 28, 2012).

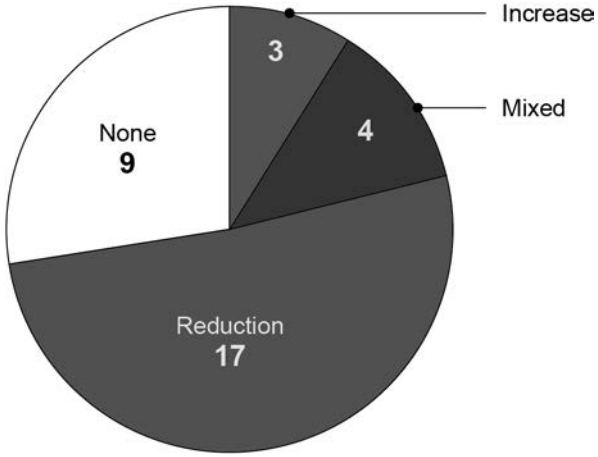
[21] See GAO, *Federal Low-Income Programs: Multiple Programs Target Diverse Populations and Needs,* GAO–15–516 (*http://www.gao.gov/products/GAO-15-516*) (Washington, D.C.: July 30, 2015).

[22] CMS recently proposed changes to the calculation of Medicaid improper payment rates. *Medicaid/CHIP Program; Medicaid Program and Children's Health Insurance Program (CHIP); Changes to the Medicaid Eligibility Quality Control and Payment Error Rate Measurement Programs in Response to the Affordable Care Act.,* 81 FED. REG. 40596 (proposed June 22, 2016). These proposed changes were outside the scope of our review.

[23] To assess the expected effect of policy changes on the SNAP improper payment rate, we reviewed prior GAO work and FNS and OIG documents that describe the characteristics of policies that may affect the improper payment rate. We analyzed which Federal and state policy changes had these characteristics, and then we assessed the likely cumulative expected directional effect of each policy on the improper payment. We did not analyze Federal or state laws or regulations, and all descriptions and analysis of the various policy flexibilities are based on the documents and research we reviewed. See *Appendix I* for further information.

in less processing for caseworkers and reduced opportunities for participants and caseworkers to make errors. State flexibilities that simplified program policies or procedures therefore may have contributed to decreases in the SNAP improper payment rate, though the rate was likely affected by additional factors as well, such as changes in the number of SNAP applicants and participants and state staffing levels.[24] Further, the state flexibilities likely had other effects on the program, according to USDA officials, because states adopt flexibilities to better target benefits to those most in need, streamline program administration and operations, and coordinate SNAP with other programs. As shown in *Figure 2,* of the 33 state flexibilities we reviewed, 17 likely reduced the potential for error.[25] We previously reported that the anticipated effect on the state SNAP improper payment rate was a key factor in states' decisions to adopt certain policy options, such as those that simplified participant reporting requirements or eased the calculation of benefit amounts.[26]

Figure 2: The Potential Effect of 33 State Flexibilities on the Likelihood of SNAP Payment Errors



Source: GAO analysis of U.S. Department of Agriculture (USDA) data on state options and waivers.[GAO–16–708T.

Note: The 33 state flexibilities include 22 options in USDA's state options report (11th edition) and 11 waivers in USDA's waivers database (current as of March 2016) adopted by five or more states.

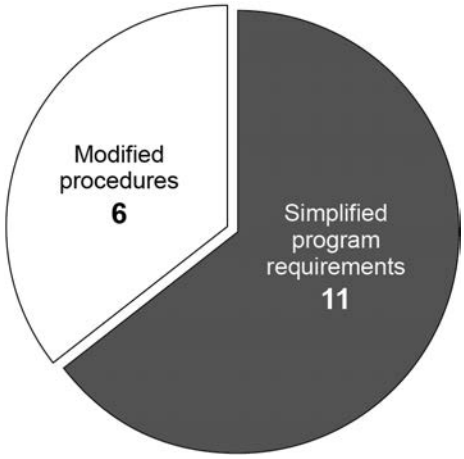
Of the 17 flexibilities that potentially reduced the likelihood of SNAP payment errors, 11 simplified program requirements and six modified procedures for receiving and processing information.

[24] For example, in our 2016 survey of the 50 states and the District of Columbia, several states mentioned that rising caseloads accompanied by decreased staffing increased payment error rates when asked what factors, aside from Federal or state policy changes, had affected their SNAP payment error rates in the last 5 years.

[25] These 22 options and 11 waivers come from USDA's most recent state options report (current as of September 2013) and USDA's SNAP Certification Policy Waiver Database (updated as of March 2016). We excluded options and waivers that had been adopted by fewer than five states at the time of our review; this meant that we excluded no options and 12 waivers. See *Appendix I* for more information on our analysis.

[26] See GAO, *Food Stamp Program: Farm Bill Options Ease Administrative Burden, but Opportunities Exist to Streamline Participant Reporting Rules among Programs,* GAO–04–916 (*http://www.gao.gov/products/GAO-04-916*) (Washington, D.C.: September 16, 2004).

Figure 3: Analysis of 17 Flexibilities that Potentially Reduced the Likelihood of SNAP Payment Errors



Source: GAO analysis of U.S. Department of Agriculture (USDA) data on state options and waivers.|GAO–16–708T.

The 11 flexibilities that simplified program requirements generally resulted in reduced opportunities for participants and caseworkers to make errors, and the effect of these flexibilities on the improper payment rate likely increased over time as greater numbers of states adopted some of them. Two of the eleven options we reviewed simplified participant reporting requirements, and six flexibilities simplified or standardized calculations used to determine household eligibility and benefit amounts, including self-employment income, medical and utility costs, income of those transitioning off TANF, and hours worked by college students. In addition, two flexibilities eliminated program requirements and another increased the alignment of SNAP program rules with other programs administered by states that serve a similar population.[27] Over time, we found that increasing numbers of states adopted two policy options that have the potential to affect a large portion of the eligible population, thus potentially increasing their effect on the improper payment rate. Specifically, as of February 2003, 25 states had adopted simplified reporting requirements for some or all eligible households and 16 states had adopted simplified utility calculations. However, by September of 2013, the numbers of states that had adopted these options increased to 53 and 47, respectively.[28] See *Table 1* for examples of flexibilities that simplified program requirements and our assessment of how they reduced the likelihood of error.

[27] Many SNAP participants receive benefits from other Federal programs, such as Medicaid or TANF. In many states, SNAP is administered out of a local assistance office that offers benefits from these other assistance programs as well. SNAP participants may provide necessary information to only one caseworker who determines eligibility and benefits for all of these programs, or they may work with several caseworkers that administer benefits for different programs.

[28] The FNS state option reports include state agencies for all 50 states, the District of Columbia, Guam, and the U.S. Virgin Islands.

Table 1: Examples of the Flexibilities That Potentially Reduced the Likelihood of Errors by Simplifying SNAP Program Requirements

Option/ Waiver	Description	GAO Assessment [a]
Simplified Reporting option	Requires participants to report only if their income rises above 130 percent of the Federal poverty guidelines, instead of requiring a variety of changes to be reported, including household composition, income, and expenses.	Results in participants reporting fewer changes and reduces the amount of paperwork that caseworkers must process.[b] In 2005, USDA estimated that simplified reporting reduced the improper payment rate by 1.2 to 1.5 percentage points.[c]
Simplified Income and Resources option	Excludes certain types of income and resources from SNAP eligibility and benefit determination requirements that are excluded under state TANF or Medicaid policy.	Increases uniformity in requirements across several programs for low-income individuals, which SNAP recipients may simultaneously receive and which are administered by the same caseworkers in some states. Therefore, this reduces program complexity and the potential for confusion by participants and caseworkers.
Standard Medical Deduction waiver	Establishes a standard medical deduction in lieu of calculating actual medical expenses for individuals who are disabled or elderly.	Eliminates the need for participants to provide proof of all medical expenses and streamlines eligibility and benefit determination procedures for caseworkers by reducing the amount of information to be verified and documented.

Source: GAO analysis of information in USDA's 2013 State Options report, USDA's SNAP Certification Policy Waiver Database (updated as of March 2016), and other FNS documents.|GAO–16–708T

[a] Flexibilities may have had multiple characteristics that suggested opposite effects; in those instances we selected what we considered to be the over-riding or primary effect.

[b] Whether the caseworker needs to process a change, which the caseworker comes to know about but that the participant was not required to report, depends on whether the state has a policy to act on all changes.

[c] U.S. Department of Agriculture, Food and Nutrition Service, *The Effect of Simplified Reporting on Food Stamp Payment Accuracy,* October 2005.

Instead of simplifying program requirements, six state policy options and waivers we reviewed allowed for modified procedures for receiving and processing information that likely reduced SNAP payment errors. For example, an option that allowed states to use online SNAP applications likely made information easier to document, retrieve, and process, thereby reducing opportunities for caseworker error. Another option that enabled states to set up call centers likely helped participants report changes more easily, potentially contributing to fewer unreported changes. However, questions have been raised about the effect of these approaches.[29–30] Further, two waivers provided states with procedural flexibilities intended to reduce the likelihood of participants having their case closed because of a delay in submitting paperwork and then having to re-apply.

While our analysis suggests that the majority of state policy flexibilities potentially reduced the likelihood of errors, three of the 33 flexibilities we reviewed likely increased it, and the remaining 13 likely had a mixed or minimal to no effect.

- *The three options that we assessed as having potentially increased the likelihood of payment errors* increased the number of calculations caseworkers needed to do or added a step to the eligibility determination process. For example, two options increased the conditions for which a participant could be disqualified, such as for lack of cooperation with a child support enforcement agency. This added

[29] Diminished face-to-face contact may increase the potential for recipient fraud, potentially increasing errors and negatively affecting program integrity.

[30] In a recently finalized rule, FNS identified changes in operation that potentially increase the difficulty of households reporting required information (which could include implementation of a SNAP call center or online change reporting) as major changes in the operation of a SNAP program and has required that such changes be evaluated to assess the impact of the changes on the payment error rate, among other things. *Supplemental Nutrition Assistance Program: Review of Major Changes in Program Design and Management Evaluation Systems,* 81 FED. REG. 2725 (Jan. 19, 2016).

a step for staff to determine whether an applicant or participant met these conditions, thereby increasing the opportunity for error.[31]

- *Four options had characteristics that we assessed as having the potential to both increase and decrease the likelihood of payment errors.* For example, the BBCE state option may have decreased improper payment rates in states that adopted it and, in effect, eliminated SNAP asset limits, as determining household assets can be a cause of error. In these states, participants no longer needed to provide documentation of assets, and caseworkers no longer needed to verify these amounts. At the same time, as we previously reported, because BBCE allowed some states to, in effect, increase the SNAP gross income limit, the policy may have resulted in greater numbers of households with earned income participating in SNAP.[32] According to USDA's data on causes of error, determining household income is the most common cause of error when determining benefit amounts. Seven states had BBCE policies in Fiscal Year 2006, *versus* 42 states in Fiscal Year 2015. Thus the impact of this option on payment errors may have increased over the last 10 years, although the overall direction of this option's effect on the improper payment rate is unclear.
- *The nine options and waivers that we assessed as not having affected the likelihood of payment errors* changed SNAP eligibility or administrative procedures without introducing significant simplification or complexity. For example, one option allowed states to count child support payments as an income exclusion rather than a deduction when determining the payer's eligibility and benefits. While this option changed the eligibility determination process, the applicant needed to provide the same information, and the caseworker needed to process it. Another example is a waiver that allowed states to issue electronic notices to clients who elect to receive notices via e-mail rather than paper mail.

Federal Policy Changes That Likely Affected the Improper Payment Rate Changed Which Errors Are Counted as Improper Payments

While there were many Federal SNAP policy changes in the last 10 years, we found that few likely affected improper payment rates, based on our analysis of FNS documents. Those that likely did (1) made changes to the dollar threshold below which an error is excluded from the improper payment rate calculation, (2) excluded certain income and resources for eligibility and benefit determination purposes, and (3) required certain types of data matching.

- Federal policy changes in the SNAP error tolerance threshold, or the dollar threshold below which an error is excluded from the SNAP error rate calculation, likely had a direct effect on the error rate.[33] During the last 10 years, the threshold has been changed several times through Federal statute and regulations, and FNS attributed the 2014 increase in the SNAP error rate to a decrease in the error tolerance threshold from $50 to $37.[34]
- Some Federal policy changes that resulted in fewer sources of income and resources being considered during the eligibility and benefit determination process may have also affected the likelihood of errors. These changes reduced participant reporting requirements and caseworker verification requirements, but they also may have increased confusion regarding what sources of income and resources to report.[35]

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[31] Note that cases that were incorrectly terminated would be considered in the rate for improper denials, suspensions, and terminations. The active case improper payment rate, which is the focus of this report, would have been affected by instances where the household should have been disqualified but was mistakenly allowed to remain on the program.

[32] GAO, *Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed,* GAO 12–670, (Washington, D.C.: July 26, 2012).

[33] For example, when the error tolerance threshold was $50 for part of Fiscal Year 2009 and from Fiscal Year 2012 to Fiscal Year 2013, a household that received a monthly benefit amount found to be $40 in error was not counted as an error when calculating the error rate. However, in Fiscal Year 2014, when the error tolerance threshold was $37, a $40 error was counted as an error when calculating the error rate.

[34] FNS has also previously linked these two factors. FNS estimated that the increase in the threshold from $25 to $50 for 6 months in Fiscal Year 2009, decreased the error rate for that year by 15 percent. However, error tolerance threshold changes do not always track with the overall error rate changes, likely because there are many factors affecting error rates simultaneously.

[35] For example, in 2009, legislation was enacted requiring that additional unemployment compensation payments should be excluded from consideration as income and resources for purposes of SNAP eligibility and benefit determination. However, because only the supplemental $25 unemployment compensation payment (and not the regular unemployment compensation payment) was excluded, this supplemental payment needed to be separated from other unemployment

- A Federal policy change that increased requirements for data matching may have reduced the likelihood of errors by improving the accuracy of eligibility and benefit determination, but the quality and timeliness of the data may have mitigated that effect, according to our analysis and prior work.[36]

SNAP's Improper Payment Rate Calculation Methodology Is Similar to Those of Medicaid, EITC, and SSI, Although Some Differences May Affect the Resulting Rates

SNAP and other large Federal programs for low-income individuals, such as Medicaid, EITC, and SSI, report improper payment rates, as shown in *Table 2.* There are some similarities to how these improper payment rates are calculated by the agencies overseeing these programs, though there are also certain differences in these programs' improper payment rate calculations that may affect the resulting rates.[37] However, the extent of the effect of these differences on the programs' rate is unknown, in part because, as previously noted, programs' rates are likely affected by many additional factors, such as changes in numbers of applicants and participants, staffing, and program policy.

Table 2: Estimated Improper Payment Rates Reported in Fiscal Year 2015 Agency Financial Reports for SNAP, Medicaid, EITC, and SSI

Program	Improper Payment Rates
Supplemental Nutrition Assistance Program (SNAP)	3.7%
Medicaid (eligibility component)	[a] 3.1%
Earned Income Tax Credit (EITC) [b]	23.8%
Supplemental Security Income (SSI)	8.5%

Source: Relevant Federal agencies.|GAO–16–708T.

Note: SNAP and SSI rates are reported at a 95 percent confidence level and EITC and Medicaid rates are reported at 90 percent confidence levels and all estimates are reported within plus or minus 2.5 percentage points. Improper payment rates reported in the Fiscal Year 2015 agency financial reports may pertain to a different period in which benefits were paid, for example the SNAP improper payment rate is for benefits paid in Fiscal Year 2014.

[a] The overall Medicaid improper payment rate was 9.8 percent, which combines component improper payment rates for eligibility, fee-for-service, and managed care.

[b] For EITC, this accounts for improper payments net of erroneous payments recovered.

SNAP's Improper Payment Rate Calculation, Including How Cases are Chosen for Review, is Similar to Other Selected Programs

The methodology that SNAP uses to calculate its improper payment rate is generally similar to the methodologies used for other large Federal programs for low-income individuals, specifically Medicaid,[38] EITC, and SSI. The Federal agencies overseeing each of these programs provide guidance on improper payment rate calculation to those administering the program—state officials for SNAP and Medicaid, and Federal officials for EITC and SSI. To calculate their improper payment rates, all four programs use similar sampling methods, draw samples generally representative of their recipients, and report their improper payment rates at similar levels of precision. (See *Table 3.*) For example, each program employs a probability sampling methodology, based on a form of random selection, to select which cases they

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compensation received when calculating income for SNAP, potentially increasing confusion and opportunities for error.

[36] For example, in 2012, FNS began requiring states to conduct a data match to check whether a person applying in one state was disqualified in another state, so that the receiving state could impose appropriate penalties. The required match would help ensure that clients who are supposed to be disqualified for a certain period or permanently are not granted benefits, reducing opportunities for improper payments. However, we reported in 2014 that the quality and timeliness of the data were impeding the effectiveness of this data match, thereby mitigating the effect of this policy change on the improper payment rate. See GAO–14–641 (*http://www.gao.gov/products/GAO-14-641*).

[37] Although we selected EITC, Medicaid, and SSI to compare to SNAP, other Federal programs that provide benefits to low-income individuals have still different approaches to estimating their improper payments. For example, other USDA programs, such as the National School Lunch program and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), rely on periodic nationally representative studies to produce improper payment rate estimates.

[38] We previously reviewed the methodology for estimating a national improper payment rate for Medicaid and found it to be statistically sound. See, GAO, *Medicaid: Enhancements Needed for Improper Payments Reporting and Related Corrective Action Monitoring,* GAO–13–229 (*http://www.gao.gov/products/GAO-13-229*) (Washington, D.C.: March 29, 2013).

will review to determine the improper payment rate. Further, the programs generally draw samples from all individuals receiving program benefits. We also found that all four programs estimate their improper payment rates with high levels of precision.[39]

Table 3: SNAP, Medicaid, EITC, and SSI Employ Similar Sampling Methodology Factors For Their Reviews to Determine Improper Payment Rates

Sampling Methodology Factors	Approach Employed
Statistical Method	Probability sampling
Sample Selection	Stratifies or allows for stratification
Sample Representation	All recipients in active cases generally represented
Estimate Precision	Reports estimates at high levels of precision

Source: GAO analysis.|GAO–16–708T

Several Differences among the Selected Programs, Including How Cases Are Factored into the Improper Payment Rate Calculation, Likely Affect the Resulting Improper Payment Rates

We found differences between SNAP and Medicaid, EITC, and SSI in how reviews are conducted to determine improper payments and how cases are factored into the improper payment rate calculation. Some of the procedural and methodological differences in the improper payment rate calculation among these programs likely affect the resulting improper payment rates.

How Case Reviews Are Conducted

There are some differences between how reviews are conducted to determine improper payments in SNAP and the three other Federal programs for low-income individuals we reviewed, such as the reporting time frame, Federal or state involvement in the review, and the extent of the review. (See *Table 4.*)

Table 4: Key Aspects of How Reviews Are Conducted to Determine Improper Payments in SNAP and Select Other Federal Programs for Low-Income Individuals (EITC, Medicaid, and SSI)

Program	Time frame of improper payments reported in agency financial reports	Review levels	Extent of review
Supplemental Nutrition Assistance Program (SNAP)	Benefits that were paid in the prior year.	Two levels of review (state & Federal)	Contact the recipient
Medicaid	Benefits paid in the prior 3 years; reviewing benefits paid in ⅓ of states each year.	State review only	Rely on case file, but permitted to contact the recipient
Earned Income Tax Credit (EITC)	Credits allowed in the tax year 4 years prior.[a]	Federal review only	Contact the recipient
Supplemental Security Income (SSI)	Benefits that were paid in the prior year.	Federal review only[b]	Contact the recipient

Source: GAO analysis.|GAO–16–708T.

[a] The EITC improper payment rate is determined from previously reviewed returns from the most recent year from which compliance information is available and that rate is used for the current year. For the improper payment dollar amount, the improper payment rate is multiplied by the amount of EITC claims in the current year, less the amount of revenue recovered or protected.

[b] According to SSA officials, the initial Federal SSI case reviews are subject to a secondary SSI review to ensure consistency. For the second review, five percent of cases initially reviewed are randomly selected, as well as all cases with payment errors.

SNAP, Medicaid, EITC, and SSI differ in the time frames relied on to determine improper payment rate estimates reported in the same year. Specifically, SNAP and SSI report each year's improper payment rate based on reviews of benefits paid in the prior year, whereas Medicaid relies on multiple years of data and EITC uses older prior year data. For example, SNAP and SSI improper payment rates reported in their Fiscal Year 2015 agency financial reports were for reviews of benefits that were paid in Fiscal Year 2014. In contrast, Medicaid's annual improper payment

[39] In its improper payments guidance, the Office of Management and Budget (OMB) recommends that agencies report improper payment rates at 90 percent confidence interval of plus or minus 2.5 percent or 95 percent confidence interval of plus or minus three percent.

rate stems from a 3 year rolling rate of state estimates. Each year, ⅓ of the states produce an improper payment rate estimate for Medicaid; and thus, the nationwide fiscal year improper payment rate reported in the Fiscal Year 2015 agency financial report included reviews of benefit payments in Fiscal Years 2012, 2013, and 2014. EITC estimates the amount of improper payments in a current year, using an improper payment rate based on reviews done for tax returns filed 4 years prior. For example, the EITC improper payment rate of 23.8 percent, reported in the Department of Treasury Fiscal Year 2015 agency financial report is from the review of 2011 tax returns.

The programs we reviewed also differed in the levels of government involved in the case reviews, as well as whether a secondary review is conducted for verification. Although they are both state-administered, SNAP and Medicaid differ in that both state and Federal officials review cases for SNAP, but according to Department of Health and Human Services (HHS) officials, states alone review cases for Medicaid. Specifically, for SNAP, Federal officials review a subsample of cases to verify the accuracy of state reviews, and if differences are found, the state's improper payment rate is adjusted. According to Federal officials, states are not involved in SSI and EITC reviews because these programs are federally-administered. However, according to SSA, there is a secondary review of SSI cases for consistency at the Federal level,[40] while according to IRS, for EITC there is no systematic secondary review. When the SSI consistency review finding differs from the initial review finding, the case payment amount is adjusted and included in the improper payment rate computation.

The extent to which officials review information beyond what is in the recipient's case file also differs between the programs we selected, such as with Medicaid, which may affect improper payment rates. For example, SNAP reviewers must contact recipients to obtain information to independently determine eligibility and benefit amounts, while according to HHS officials, Medicaid reviews can be conducted from information solely in the case file. While this can result in SNAP reviewers finding additional information not included in the case file that was necessary to determine whether the benefit amount was correct, it can also result in reviewers not being able to complete the review if they cannot make contact with the recipient. Like SNAP, the SSI and EITC reviewers also generally contact recipients.[41]

Cases Factored into the Improper Payment Rate Calculation

Differences in how cases are factored into the improper payment rate calculation also exist among SNAP and the other Federal programs for low-income individuals we reviewed, which likely affect the resulting improper payment rates. These differences relate to how cases with insufficient information and those found to have certain kinds of errors are factored into the improper payment rate.[42] (See *Table 5.*)

Table 5: Key Aspects of How Cases Are Factored into the Improper Payment Rate Calculation for SNAP and Select Other Federal Programs for Low-Income Individuals (Medicaid, EITC, and SSI)

Program	Treatment of cases for which review cannot be completed [a]	Errors excluded from the improper payment rate calculation
Supplemental Nutrition Assistance Program (SNAP)	Dropped from sample, but an adjustment is made	Case errors below $37 (in Fiscal Year 2014) [c] Errors caused by a policy change in the 120 days after implementation
Medicaid	Full benefit amount counted as error	None

[40] According to SSA officials, the SSI consistency reviews are done on five percent of reviewed cases, selected at random, as well as all cases with payment errors.

[41] EITC reviewers check the accuracy of the taxpayer's eligibility and the amount claimed on tax returns and not the accuracy of a determination made by a caseworker from a client's application. Tax credit recipients self-certify their eligibility and claim and do not need to meet with caseworkers, nor submit up-front documentation as is required with other programs.

[42] Another difference across the four programs relates to adjustments that are made to the improper payment rate to account for improper payments that are recovered from the recipient by the Federal agency. Unlike SNAP, Medicaid, and SSI, the EITC includes recovered overclaims in its rate calculation, according to Federal officials. If IRS reviews of EITC cases, for which the credit has already been paid, determine that IRS should reduce or deny the EITC claim, the IRS must recover the amount that was previously paid. The amount of such overclaims that are recovered is subtracted from the amount of the over-claims determined by a reviewer, reducing the amount of improper payment used in computing the error rate.

Table 5: Key Aspects of How Cases Are Factored into the Improper Payment Rate Calculation for SNAP and Select Other Federal Programs for Low-Income Individuals (Medicaid, EITC, and SSI)—Continued

Program	Treatment of cases for which review cannot be completed [a]	Errors excluded from the improper payment rate calculation
Earned Income Tax Credit (EITC)	If taxpayer does not respond, remains in sample, but an adjustment is made.[b] If taxpayer responds, but is unable to provide documentation, the full benefit amount is counted as error.	None
Supplemental Security Income (SSI)	Dropped from sample.	Errors caused by a policy change in the 6 months after implementation

Source: GAO analysis.|GAO–16–708T.

[a] A case review cannot be completed when an agency's review is unable to discern whether a payment was proper because of insufficient or lack of documentation.

[b] According to IRS officials, such cases are considered non-response cases and an adjustment is made to the improper payment rate calculation assuming that such cases have the same ratio of compliance to non-compliance characteristics as taxpayers who participate in the audits.

[c] SNAP has an error reporting threshold, which is the dollar amount beneath which a case error is not included in the error rate.

For some cases, the reviewer may have insufficient information to assess the accuracy of the eligibility and benefit determination, and the programs we reviewed treated these cases somewhat differently in the improper payment rate calculation. For example, according to FNS officials, for SNAP, these cases are removed from the sample so that neither the benefit payments or any potential dollar error amounts are factored into the improper payment rate calculation, though the rate calculation may be adjusted depending on the proportion of reviewed cases in this category.[43] According to SSA, such cases are removed from the SSI improper payment rate calculation, and no adjustment is made to the improper payment rate. In contrast, according to HHS officials, in Medicaid cases where there is insufficient information to make an error determination, the full benefit amount is counted as an error in the improper payment rate calculation. EITC policy on incomplete cases varies depending on whether contact is made with the taxpayer. Specifically, if the taxpayer responds to the audit inquiry, but is unable to provide the required documentation, the full amount of the credit is considered to be in error. However, according to IRS officials, if the taxpayer cannot be reached to participate in the audit, the case is not completed, and an adjustment is made to the improper payment rate calculation.[44]

Generally, unlike the other Federal programs for low-income individuals we reviewed, SNAP excludes certain errors from its improper payment rate calculation. For example, as previously noted, SNAP excludes errors below a specific dollar threshold from its error rate calculation, while according to Federal officials, the other programs we selected did not exclude identified errors below a specific dollar threshold.[45] FNS's data on payment errors suggests that the threshold has a direct effect on the SNAP error rate. Specifically, in our analysis of FNS's quality control data for Fiscal Year 2013, we found that 31 percent of all cases reviewed had errors that were below the threshold, six percent had errors that exceeded the threshold, and 64 percent had no errors.[46] Further, the reviewed cases determined to have errors below the threshold—which were not included as errors in the error rate calculation—accounted for 38 percent of all SNAP dollars paid in error. In addition, for SNAP, errors are not included in the rate calculation if they are related to recent program changes; within 120 days.[47] Similarly, according to SSA officials, such er-

[43] Under Federal regulations, FNS makes an adjustment to a state's error rate if more than two percent of the state's cases selected for review could not be completed, such as when the reviewer could not contact a recipient or the household refused to cooperate. See 7 CFR § 275.23(b)(2)(iii).

[44] According to IRS officials, such cases are considered non-response cases and an adjustment is made to the improper payment rate calculation assuming that such cases have the same ratio of compliance to non-compliance characteristics as taxpayers who participate in the audits.

[45] As previously noted, the Fiscal Year 2014 threshold below which SNAP improper payments were not included in the error rate, based on SNAP law, was $37.

[46] Percentages exceed 100 percent due to rounding.

[47] Under SNAP, errors resulting from the application of new SNAP regulations or implementing memorandum of changes in Federal law are generally to be excluded from the error

rors are not included in the SSI rate calculation if they are found to have occurred within 6 months of a change.[48] According to Federal officials, neither Medicaid nor EITC has such a provision.

Another difference between SNAP and the other programs we reviewed relates to bonuses to reduce error rates. Specifically, SNAP provides states with financial bonuses and sanctions to reduce or maintain low error rates, a policy which differs from Medicaid, EITC, and SSI.[49] For Fiscal Year 2014 state improper payments, FNS selected ten states to share $24 million in bonuses for best payment accuracy and most improved payment accuracy.[50] This policy differs from the other programs we reviewed likely due, in part, to differences in program structure. For example, according to Medicaid Federal officials, states have an inherent incentive to reduce Medicaid improper payments because they share in Medicaid program costs. Further, given that SSI and EITC are federally administered programs, they have no state-based incentives.[51]

Despite differences among some Federal programs' improper payment rate calculations, Federal agencies are generally required to comply with relevant Federal laws governing the estimation of improper payment rates. We are currently assessing the SNAP improper payment rate calculation in light of these laws and the relevant OMB implementing guidance and plan to report on these findings in the future.

States and FNS Have Taken Steps To Address SNAP Recipient Fraud That May Help Address Identified Challenges

Fraud is a key indicator of program integrity and FNS and state agencies partner to address it. As previously noted, improper payments made to SNAP households may be caused by caseworker or recipient errors, and intentional errors made by recipients are considered fraud, as are other recipient and retailer actions that qualify as misuse of benefits. FNS and the states work together to address SNAP recipient fraud, employing various tools that are specifically targeted at detecting recipient fraud. These tools have evolved over time with changes to the SNAP program and the ways in which SNAP recipient fraud occur.

In 2014, we reported that selected states said they employed a range of tools to detect potential SNAP recipient eligibility fraud, such as data matching and referrals obtained through fraud reporting hotlines and websites.[52] Specifically, at that time, all 11 states that we reviewed had fraud hotlines or websites, and all matched information about SNAP applicants and recipients against various data sources to detect those potentially improperly receiving benefits, as FNS recommended or required. For example, all 11 states reported matching recipient data against prisoner and death files. In addition, we found that four of the states we reviewed used additional specialized searches to check numerous public and private data sources, including school enrollment, vehicle registration, vital statistics, and credit reports, to detect potential fraud prior to providing benefits to potential recipients.

To address recipient trafficking of benefits—the exchange of benefits for cash or non-food goods or services, in 2014, officials in the 11 selected states reported that they took various actions recommended or required by FNS. For example, all 11 states reported tracking recipients who requested four or more replacement electronic benefit transfer (EBT) cards in a 12 month period. States issue an eligible household's monthly SNAP benefits on an EBT card, and recipients use the cards to purchase allowable food items at authorized retailers. FNS has required that states track recipients who request multiple EBT replacement cards because some

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rate if they are within 120 days of the required implementation date. See 7 U.S.C. § 2025(c)(3)(a) and 7 CFR § 275.12(d)(2)(vii).

[48] According to SSA officials, errors caused by significant program changes are not included in the SSI rate calculation if they are found to have occurred within 6 months of the change; however, they stated that there have not been significant changes that would invoke this provision since 2005.

[49] See 7 U.S.C. § 2025 and 7 CFR §§ 275.23–275.24.

[50] In a June 24, 2016 letter to states, USDA said that it will complete a thorough review of quality control systems in all states before making decisions about the disbursement of the payment accuracy bonuses. These payments had not been made, because of FNS concerns about the integrity of the state data, based on FNS reviews. The USDA OIG had previously found that states had used practices to weaken the quality control review process, including the use of third-party consultants and error review committees to mitigate individual errors identified by reviewers. See, USDA, Office of Inspector General, *FNS Quality Control Process for SNAP Error Rate,* Audit Report 27601–0002–41, September 2015.

[51] However, according to SSA officials, the agency uses its annual performance appraisals to hold SSI managers, supervisors, and field office employees accountable for reducing improper payments.

[52] See GAO–14–641 (*http://www.gao.gov/products/GAO-14-641*).

recipients who have trafficked their benefits contact state agencies to report their sold cards as lost or stolen and receive new, replacement cards, which they then use for future transactions. For recipients identified through such tracking, states generally must warn them that the purchases they are making with their SNAP benefits through their EBT transactions, are being monitored. All 11 states also reported reviewing EBT transactions in an attempt to uncover patterns that may indicate trafficking, as recommended by FNS, though these efforts varied by state. For example, while Florida officials reported that they routinely review EBT transaction data for suspicious patterns, Texas officials reported that they only review transactions for individuals or households after they have been referred to them because of potential fraud. Further, eight of the 11 states reported using either automated tools or manual monitoring to detect postings on social media and e-commerce websites by individuals seeking to sell SNAP benefits, as recommended by FNS.

However, we also reported in 2014 that these states noted that inadequate staffing levels limited the effectiveness of their actions to detect recipient fraud, though some states were exploring ways to address this issue. Among the 11 selected states, there was wide variation in the number of staff available to investigate potential SNAP recipient fraud, and investigators each had additional responsibilities unrelated to SNAP fraud investigations. Further, eight of the 11 selected states reported difficulties in conducting fraud investigations due to either reduced or maintained staff levels, while SNAP recipient numbers greatly increased from Fiscal Year 2009 through 2013. To help address this issue, six of the states reported that they had implemented or were in the process of implementing state law enforcement bureau (SLEB) agreements at the time of our 2014 report. These agreements enable state SNAP investigators to cooperate in various ways with local, state, and Federal law enforcement agents, including those within the USDA OIG. For example, under these agreements, law enforcement agencies can notify the SNAP fraud unit when they arrest someone who possesses multiple EBT cards, and SNAP agencies can provide "dummy" EBT cards for state and local officers to use in undercover trafficking investigations. Some states also suggested changing the financial incentive structure to promote fraud investigations. To help address the increased caseloads and the resources needed to conduct investigations, we recommended that USDA explore ways that Federal financial incentives could be used to better support cost-effective anti-fraud strategies. At this time, FNS has decided not to pursue bonus awards for anti-fraud and program integrity activities.

Also in 2014, some states reported that limitations of FNS's required approach to monitoring replacement card data also challenged their efforts to combat recipient fraud. Specifically, at the time of our review, four states reported that they had not initiated any trafficking investigations as a result of the EBT replacement card data monitoring required by FNS, and five states reported a low success rate for such investigations. Through our own analysis of replacement card data combined with EBT transaction data that suggested trafficking, we found indicators of potential SNAP trafficking in households with excessive replacement cards, suggesting that a more targeted approach than that required by FNS may improve states' efforts to identify recipient trafficking. As a result of these findings in 2014, we recommended that FNS establish additional guidance to help states analyze SNAP transaction data to better identify SNAP recipient households receiving replacement cards that are potentially engaging in trafficking, and assess how to better focus this analysis on high-risk households potentially engaged in trafficking. In response, FNS officials reported that they have provided some states with technical assistance on how to effectively utilize replacement card data as a potential indicator of trafficking and have plans to expand their assistance to states in this area. Specifically, FNS has worked with seven states to help them more effectively identify SNAP recipient trafficking using models that incorporate predictive analytics. FNS officials stated that the models use a variety of eligibility and transaction data, including replacement card data, and have demonstrated a significant improvement in effectiveness in these states. FNS officials also stated that they are providing four additional states with technical assistance in Fiscal Year 2016, and FNS is currently conducting a training program for state staff to teach them how to build predictive models that incorporate the use of card replacement data.

Further, although an FNS-recommended automated tool for monitoring potential SNAP trafficking on e-commerce websites was intended to replace the need for states to perform manual searches on these websites, we found the tool to be of limited use. Specifically, our testing found that manual searches returned more postings indicative of potential SNAP trafficking than the automated tool, and that most of the postings detected through manual searches were not detected by the automated tool. As a result, in 2014 we recommended that FNS reassess the effectiveness of the current guidance and tools recommended to states for monitoring e-com-

merce and social media websites, FNS officials reported that they continue to provide technical assistance to states on the effective use of social media and e-commerce monitoring. FNS officials also reported that the agency conducted an analysis in 2016 to evaluate states' current use of social media in their detection of SNAP trafficking, and they plan to use information from that analysis to determine how best to present further guidance to state agencies on using social media to combat trafficking.

In 2014, we also found that FNS had increased its oversight of state anti-fraud activities by issuing new regulations and guidance, conducting state audits, and commissioning studies on recipient fraud since Fiscal Year 2011.[53] Despite these efforts, we found that FNS did not have consistent and reliable data on states' anti-fraud activities because its reporting guidance lacked specificity. For example, FNS's guidance did not define the kinds of activities that should be counted as investigations, resulting in data that were not comparable across states. This limited USDA's ability to monitor states and find more effective ways to combat recipient fraud. To improve FNS's ability to monitor states and obtain information about more efficient and effective ways to combat recipient fraud, we recommended in 2014 that FNS take steps, such as guidance and training, to enhance the consistency of what states report on their anti-fraud activities. As of May 2016, FNS reported that it had redesigned the form used to collect consistent recipient integrity performance information and expect it to be implemented in Fiscal Year 2017, pending approval from OMB.[54] FNS also published an interim final rule on January 26, 2016 (effective March 28, 2016) that increased the frequency with which states are required to submit the form to FNS from annually to quarterly.[55] As of June 2016, FNS officials reported that they had provided four separate trainings to approximately 400 state agency and FNS regional office personnel, covering the new and modified elements of the final draft form and the corresponding instructions.

Chairman Conaway, Ranking Member Peterson, and Members of the Committee, this completes my prepared statement. I would be pleased to respond to any questions you may have at this time.

GAO Contact and Staff Acknowledgments

For questions about this statement please contact Kay E. Brown at (202) 512–7215 or *brownke@gao.gov*. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony include Rachel Frisk, Alexander Galuten, Kathryn O'Dea Lamas, Jean McSween, Daniel Meyer, and Srinidhi Vijaykumar.

APPENDIX I: GAO ANALYSIS OF THE EFFECT OF STATE POLICY FLEXIBILITIES ON SNAP PAYMENT ERRORS

We used a multi-step approach to assess the expected effect of each of the 33 state policy flexibilities we identified on the SNAP improper payment rate.[1] First, we reviewed prior GAO work, and FNS and USDA Office of Inspector General (OIG) documents, that describe the characteristics of policies that may affect the SNAP improper payment rate. See *Table 6* for a description of the policy characteristics we identified and the expected effect of those characteristics on the likelihood of errors. We then obtained a description of each state policy flexibility using the 2013 USDA State Options report, the 2016 USDA waivers database, and other FNS documents.[2] We analyzed which Federal and state policy changes had the identified characteristics, and then we assessed the likely cumulative expected directional effect of each policy on the improper payment rate, depending on whether the policy change simplified or complicated program rules or increased or decreased caseworker paperwork, among other characteristics. For flexibilities that had multiple characteristics with potentially opposite effects on the likelihood of errors, we selected what we considered to be the primary effect, based on a review by two analysts. However, for some policies, we were unable to determine the primary effect and therefore cat-

[53] See GAO–14–641 (*http://www.gao.gov/products/GAO-14-641*).

[54] See GAO–16–719T (*http://www.gao.gov/products/GAO-16-719T*).

[55] *SNAP Requirement for National Directory of New Hires Employment Verification and Annual Program Activity Reporting,* 81 FED. REG. 4159.

[1] These 22 options and 11 waivers come from USDA's most recent state options report (current as of September 2013) and USDA's waivers database (current as of March 2016). We excluded options and waivers that had been adopted by fewer than five states at the time of our review; this meant that we excluded no options and 12 waivers.

[2] In conducting this analysis, we did not analyze Federal or state laws or regulations, and all descriptions and analysis of the various policy flexibilities are based on the documents and research we reviewed.

egorized those policies as having a mixed effect—essentially, these policies had characteristics that suggested they both increased and decreased the likelihood of errors.

Table 6: Characteristics of State Policy Flexibilities GAO Examined and How They Might Potentially Affect Supplemental Nutrition Assistance Program (SNAP) Payment Errors

Factor	Characteristic	Effect on Likelihood of Errors
Program rules	Simplify	↓
	Complicate	↑
Requirements for participants to provide information	Less	↓
	More	↑
Caseworker paperwork	Less	↓
	More	↑
Characteristics of eligible population	Less error-prone	↓
	More error-prone	↑
Others, such as program administration or procedures	Simplify	↓
	Complicate	↑

Source: GAO.|GAO–16–708T

Note: We did not review program laws and regulations, but we identified when descriptions of flexibilities addressed similarities across programs. Greater similarity in program rules decreases household and caseworker confusion, as caseworkers may be responsible for determining eligibility for multiple programs.

We grouped the 33 state policy flexibilities into four categories, those that: potentially reduced the likelihood of errors; potentially increased the likelihood of errors; likely had a mixed effect; or likely had no effect. *Tables 7, 8, 9,* and *10* divide the policy flexibilities into these categories, describe each, and provide our assessment of each flexibility's likely effect on errors.

Table 7: Seventeen Options and Waivers That Potentially Reduce the Likelihood of Supplemental Nutrition Assistance Program (SNAP) Payment Errors

Option/ Waiver	Description	Explanation [a]
Flexibilities that simplified program requirements		
Simplified Reporting option	Requires participants to report only if their income rises above 130 percent of the Federal poverty guidelines, instead of requiring a variety of changes to be reported, including household composition, income, and expenses.	Results in participants reporting fewer changes and reduces the amount of paperwork that caseworkers must process.[b] In 2005, USDA estimated that simplified reporting could have reduced the improper payment rate by 1.2 to 1.5 percentage points.[c]
Simplified Reporting—Certification Length option	Requires participants to submit a periodic report with household information at set intervals instead of requiring changes be reported within 10 days of their occurrence.	Results in participants reporting changes less frequently and reduces the amount of paperwork that caseworkers must process.
Simplified Income and Resources option	Excludes certain types of income and resources from SNAP eligibility and benefit determination requirements that are excluded under state TANF or Medicaid policy.	Increases uniformity in requirements across multiple programs for low-income individuals, which SNAP recipients may simultaneously receive and which are administered by the same caseworkers in some states. Therefore, this reduces program complexity and the potential for confusion by participants and caseworkers.
Simplified Self-Employment Determination option	Simplifies the method for determining the cost of doing business in cases where an applicant is self-employed.	Results in participants having to provide less documentation and simplifies paperwork for caseworkers.
Standard Medical Deductions waiver	Establishes a standard medical deduction in lieu of calculating actual medical expenses for individuals who are disabled or elderly.	Eliminates the need for participants to provide proof of all medical expenses and streamlines eligibility and benefit determination procedures for caseworkers by reducing the amount of information to be verified and documented.

Table 7: Seventeen Options and Waivers That Potentially Reduce the Likelihood of Supplemental Nutrition Assistance Program (SNAP) Payment Errors—Continued

Option/ Waiver	Description	Explanation [a]
Standard Homeless Housing Cost option	States can use a standard deduction from income of $143 per month for homeless households with some shelter expenses.	Eliminates the need for participants to provide proof of all shelter expenses, which streamlines eligibility and benefit determination procedures for caseworkers by reducing the amount of information to be verified and documented.
Standard Utility Allowances (SUAs) option	Establishes a standard utility allowance *in lieu of* using actual utility expenses. States that further make the SUA mandatory for all households opt out of the requirement to prorate SUAs for households that share living space. These states are also required to use a SUA that includes the heating and cooling costs of public housing residents with shared meters that are charged only for excess utility costs.	Eliminates the need for participants to provide proof of all utility expenses and streamlines eligibility and benefit determination procedures by reducing the amount of information caseworkers need to verify and document. Further, reduces the likelihood of a calculation error because the caseworker no longer has to prorate certain cases.
Transitional Benefits option	Establishes a set benefit amount for families transitioning off TANF, or other state-funded cash assistance, eliminating participant reporting requirements and reducing caseworker processing during the transition period.	Reduces participant reporting burden and reduces caseworker paperwork requirements at a time when the household's situation may be particularly subject to fluctuation.
Averaging Student Hours waiver	Students enrolled at least half-time in an institution of higher education, are ineligible to participate unless they meet at least one of several criteria. One criterion allows students to participate if they are employed for a minimum of 20 hours a week. The waiver allows state agencies to average the number of hours worked over a month in determining compliance with the student work requirement.	Reduces caseworker burden associated with needing to confirm the exact number of employment hours each week.
Interest Income Verification waiver	Enables state agencies to waive verification of income from interest and dividends if less than a certain amount.	Reduces the amount of verification the participant needs to supply and the amount of information the caseworker needs to verify.
Recertification Interview for Elderly or Disabled Individuals with No Earned Income waiver	Allows the state to waive the recertification interview for households in which all adult members are elderly or disabled and have no earned income.	Reduces the frequency with which recertification interviews need to happen, thus reducing the opportunity for the caseworker to discover changes in circumstances that would need to be documented and verified.
Flexibilities that modified procedures for receiving and processing information		
Online Applications and Case Management	Allows SNAP applicants to apply for benefits online. Many state websites also allow clients to view information about their case or report changes in factors that affect eligibility or benefit levels.	May ease the completion of paperwork for the participant and the caseworker. Participants can complete applications and submit paperwork online. For the caseworker, information provided on-line may be easier to document, retrieve, and process.
Call Centers	Allows states to reduce the time local offices spend answering phone calls concerning general SNAP information and application and benefit status, conducting certification interviews, handling customer complaints, and processing changes. In some states, call centers go beyond these functions to directly certify and re-certify households.	May ease participant reporting of required household changes. May also reduce burden on local offices.
Modernization Initiatives	Allows states to take modernization initiatives which include a range of innovative managerial and technology solutions to increase efficiency.	May simplify program administration, for example, through specialization of caseworker tasks, as this enables staff to focus on certain aspects of the eligibility process, thus increasing efficiency and potentially reducing errors.

Table 7: Seventeen Options and Waivers That Potentially Reduce the Likelihood of Supplemental Nutrition Assistance Program (SNAP) Payment Errors—Continued

Option/ Waiver	Description	Explanation [a]
Document Imaging	Allows states to use document imaging to scan paper documents and convert them to digital images that are stored in an electronic format.	May simplify program administration by making applicant documentation electronically available, thus easing the certification process
Early Denial Waivers	FNS regulations allow households 30 days to provide verification prior to denying the household's application, in cases of missing documentation. Under the waiver, state agencies may deny an application if the applicant fails to provide verification within 10 days of the state agency's request. However, the client still has the right to provide the information by the 30th day and if she or he does so, the application must not be denied.	May help households avoid a disruption in benefits due to missing paperwork. Thus, this may prevent applicants from having to re-apply, which introduces more opportunities for error, than if the households had provided necessary verifications to continue their benefits.
Reinstatement waiver	Allows states to reinstate recently ineligible households without requiring a new application if the household provides verification required to reestablish eligibility during the calendar month following the effective date of closure.	May prevent applicants from having to reapply, reducing application volume and the opportunity for participant or caseworker error.

Source: GAO analysis of information in USDA's 2013 State Options report, USDA's SNAP Certification Policy Waiver Database (updated as of March 2016), and other FNS documents.[GAO–16–708T.

Note: In conducting this analysis, we did not analyze Federal or state laws or regulations, and all descriptions and analysis of the various policy flexibilities are based on the documents and research we reviewed.

[a] Flexibilities may have had multiple characteristics that suggested opposite effects; in those instances we selected what we considered to be the over-riding or primary effect.

[b] Whether the caseworker needs to process a change, which the caseworker comes to know about but that the participant was not required to report, depends on whether the state has a policy to act on all changes.

[c] See U.S. Department of Agriculture, Food and Nutrition Service, *The Effect of Simplified Reporting on Food Stamp Payment Accuracy,* October 2005.

Table 8: Three Options That Potentially Increase the Likelihood of Supplemental Nutrition Assistance Program (SNAP) Errors

Option/ Waiver	Description	Explanation [a]
Comparable Disqualification option	Can disqualify SNAP applicants or recipients who fail to perform actions required by other Federal, state, or local means tested public assistance programs. A state agency has the option to select the types of disqualifications within a program that it wants to impose on SNAP recipients.	Adds a step for caseworkers to determine whether disqualifications in other programs are to be imposed for SNAP.
Child Support-Related Disqualification option	Can disqualify individuals who fail to cooperate with child support enforcement agencies, who are in arrears in court-ordered child support payments, or both.	Adds a step for caseworkers to determine whether an applicant or participant met these conditions, thereby increasing the opportunity for error.
Simplified Deduction Determination option	Averages expenses that are billed more or less often than on a monthly basis. For example, if a household receives a single bill in February which covers a 3 month period, the bill may be averaged over February, March, and April. Conversely, a one-time only expense can be averaged over the entire certification period in which they are billed.	Requires an additional calculation to average a bill across several months instead of counting the bill in the month it was due.

Source: GAO analysis of information in USDA's 2013 State Options report, USDA's SNAP Certification Policy Waiver Database (updated as of March 2016), and other FNS documents.[GAO–16–708T.

Note: In conducting this analysis, we did not analyze Federal or state laws or regulations, and all descriptions and analysis of the various policy flexibilities are based on the documents and research we reviewed.

[a] Flexibilities may have had multiple characteristics that suggested opposite effects; in those instances we selected what we considered to be the over-riding or primary effect.

Table 9: Four Options That Likely Have a Mixed Effect on Supplemental Nutrition Assistance Program (SNAP) Payment Errors

Option/ Waiver	Description	Explanation
Simplified Reporting—Action on Change option	State agencies can act on all changes reported during the certification period, or to act only on certain changes. This option allows states that have combined SNAP/ Temporary Assistance for Needy Families (TANF) programs to more seamlessly integrate. It avoids a situation where the TANF program has acted on a change, but SNAP has not, and decreases caseworker burden by aligning the programs.	If a state chooses to act on all changes, then caseworkers may have to process more household changes. However, this option could also lead to less participant and caseworker confusion due to aligned program requirements.
Ineligible Non-Citizens Income and Deductions option	Although ineligible non-citizens cannot receive SNAP benefits, their income is relevant to the SNAP determinations for other eligible individuals who live in their household. States have various options for counting the income and deductions of ineligible non-citizens, including to prorate these amounts.	If the state chooses to prorate income, this adds another step to the eligibility determination process, increasing program complexity. However, according to FNS, prorating for all ineligible non-citizens (as opposed to only for some) may simplify program administration because of uniform eligibility rules.
Broad Based Categorical Eligibility (BBCE) option	BBCE makes households categorically eligible for SNAP because they qualify for a non-cash TANF or state funded benefit, such as a pamphlet or 800 number.	In states that adopted BBCE and, in effect, eliminated SNAP asset limits, participants no longer need to provide documentation of assets and caseworkers no longer needed to verify these amounts. At the same time, in states that adopted BBCE and, in effect, increased the SNAP gross income limit, it may result in greater numbers of households with earned income participating in SNAP. According to USDA's data on causes of error, income is the most common cause of error when determining benefit amounts.
Drug Felony Disqualification option	Federal law permanently disqualifies people from SNAP participation if they have been convicted of a state or Federal felony offense, based on behavior which occurred after August 22, 1996, involving the possession, use or distribution of a controlled substance. State legislatures can opt out of the penalty entirely or choose to impose less severe restrictions through a modified ban.	The effect of this option on the likelihood of errors depends on whether a modified ban or no ban is adopted. Under a modified ban, the level of case complexity appears to be similar to what it would be under a lifetime ban, as the caseworker would still need to delve into the participant's criminal justice background to ascertain what crime was committed. However, in a state with no ban, case complexity would be eased, as the caseworker would no longer need to research the client's criminal justice background.

Source: GAO analysis of information in USDA's 2013 State Options report, USDA's SNAP Certification Policy Waiver Database (updated as of March 2016), and other FNS documents.GAO–16–708T.

Note: In conducting this analysis, we did not analyze Federal or state laws or regulations, and all descriptions and analysis of the various policy flexibilities are based on the documents and research we reviewed.

Table 10: Nine Options and Waivers That Likely Have No Effect on Supplemental Nutrition Assistance Program (SNAP) Payment Errors

Option/ Waiver	Description	Explanation
Child Support Expense Income Exclusion option	Treats legally obligated child support payments made to non-household members as income exclusion rather than a deduction. This option helps to encourage payment of child support by excluding the amount paid from being considered part of the payer's gross income.	Has no effect on the amount of information participants need to provide nor does it change case processing, as a household's child support payment still needs to be assessed, verified, and documented.

Table 10: Nine Options and Waivers That Likely Have No Effect on Supplemental Nutrition Assistance Program (SNAP) Payment Errors—Continued

Option/ Waiver	Description	Explanation
Work Requirements and Disqualification option	Individuals who fail to comply with SNAP work requirements without good cause are ineligible for program benefits and disqualified from SNAP for certain periods of time, depending on how many prior instances of non-compliance there have been. The law gives states the options to (1) set disqualification periods longer than these minimum mandatory periods, (2) make the disqualification permanent upon the third occurrence, and (3) sanction the entire household if the head of household fails to comply with work requirements.	Does not change case processing, as caseworkers still have to undertake the disqualification/sanction process.
Names for SNAP option	As of Oct. 1, 2008, the name for the Food Stamp Program changed to Supplemental Nutrition Assistance Program (SNAP). At the state level, state agencies may adopt the new program name SNAP, continue to refer to their program as the Food Stamp Program, or choose an alternate name.	Has no effect on the likelihood of errors.
Electronic Notices waiver	Allows the states to issue electronic notices to clients who elect to receive notices via e-mail rather than paper mail.	Affects the method of communication with the client, not program requirements. Has no effect on the amount of information participants need to provide, nor does it change case processing.
Not Pay for Postage for Change Reports waiver	Waives the use of postage paid envelopes for change report forms.	Has no effect on the information that participants need to report and the caseworkers need to verify.
Postpone Expedited Service Interviews waiver	Allows the state to postpone the certification interview for certain expedited service households for up to 2 months, provided that household identity is verified and staff have attempted to contact the household for interview.	Delays the information participants need to report and that caseworkers need to verify; thus it does not ease program requirements but rather changes the timeframes. If a case were selected for quality control review and the interview had not yet been completed due to the waiver, differences in the quality control determined benefit amount and the actual amount that were discovered through an interview would not be considered an error because of the existence of the waiver.
Provide Paper Copy of Online Application waiver	Allows the state to waive its obligation to provide a copy of the online application information to clients who do not request a copy.	Has no effect on the likelihood of errors.
Telephone Interview *In-Lieu of* Face-to-Face Interview waiver	Enables states to allow interviews via telephone *in lieu of* a face-to-face interview without the need to document client hardship.	Has no effect on the amount of information participants need to provide, nor does it change case processing. FNS has reported that it found little evidence that the likelihood of errors was affected by the interview method.
On-Demand Interview waiver	Allows the state to waive interview scheduling requirements, allowing clients the option to call the state to complete the interview during business hours within a certain time period.	Has no effect on the amount of information participants need to provide, nor does it change case processing.

Source: GAO analysis of information in USDA's 2013 State Options report, USDA's SNAP Certification Policy Waiver Database (updated as of March 2016), and other FNS documents.|GAO–16–708T.

Note: In conducting this analysis, we did not analyze Federal or state laws or regulations, and all descriptions and analysis of the various policy flexibilities are based on the documents and research we reviewed.

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The CHAIRMAN. Thank you, Ms. Brown.

Mr. Yost, 5 minutes.

STATEMENT OF HON. DAVE YOST, AUDITOR, STATE OF OHIO, COLUMBUS, OH

Mr. YOST. Thank you, Mr. Chairman.

The CHAIRMAN. You need to push your microphone closer.

Mr. YOST. Chalk it up to nervousness, Mr. Chairman.

Thank you, Chairman Conaway, Ranking Member Peterson, and Members of the Committee. I appreciate the opportunity to testify today, and particularly want to recognize my friend, Representative Gibbs from Ohio, and Representative Fudge, for their service on this Committee.

Recently, our team audited EBT card usage to identify indicators of fraud or misuse. The main goal of the audit was not to find cases of fraud, but to search for structural weaknesses in the program that heighten risk.

Our findings lead me to conclude that there are likely millions of dollars of fraud in Ohio's $2.5 billion program. The problems we found will not resolve, of course, the Federal deficit, but fraud and poor management undermine public support for this program.

We looked at a 6 month period in 2015. I have attached my entire report to my testimony. And in the interest of time, I will just point out a few of the more troubling findings. We identified 36 instances where dead people received benefits more than a year after their death. In some cases, someone was still using the card. Federal law requires at least an annual comparison of death records against beneficiaries, so the number should have been zero. There were actually more than 1,800 people who continued to receive benefits after their death, but for a period of less than 1 year. We also found 1,337 recipients with balances greater than $2,300; about twice the maximum benefit for a family of eight: 173 had balances of more than $5,000, including one who had more than $20,000 balance. If you can bank thousands of dollars, I would respectfully suggest you are not in immediate need.

States may only expunge benefits after an entire year of dormancy, but if a card is used just once, even for a can of soda, that 1 year clock resets and balances can continue to grow.

We also saw some unusual card activity. When was the last time any of us went to the grocery store and walked away with a bill of exactly $100, with no cents charged? We found 183,400 even-sum transactions, even-dollar transactions, worth $28.5 million. The scatter graph that you see on your monitors, your iPads, illustrates that there are sets of transactions by retailer that would provide fertile ground for further investigation, looking at those at the top. Or how often have you checked out of the grocery store at precisely the same time every month, and had exactly the same total every month, for 6 months in a row? We found that, and you can see the graphic there. We also found multiple purchases by one person at the same retailer, within the same hour. A person we have dubbed Recipient 9, used their card to make six purchases within 1 hour, totaling $1,555. When did you last spend that much on groceries?

Recipients can use their benefit cards in other states, and we expected to see usage in our neighboring states. We did not expect to find usage in states as far away as Florida and Texas and Minnesota. We found $28.7 million that were spent outside of Ohio. More than ⅓ of that spent in far-flung states. Are these recipients living in the other states, or selling benefits, or double-dipping? Important questions to answer.

The Federal Public Assistance Reporting Information System, PARIS, which has previously been cited, uses data matching to identify people who might be receiving duplicate benefits.

In conclusion, I do not believe that fraud is rampant in Ohio, but it does exist and it is significant. Food stamp fraud hardens the hearts of good people, and deafens their ears to the sound of hunger. Every dollar wasted or fraudulently spent is a dollar that could be used for its intended purpose to feed the poor. For those who

hunger and those who pay the bill, we owe a greater effort toward integrity.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Yost follows:]

PREPARED STATEMENT OF HON. DAVE YOST, AUDITOR, STATE OF OHIO, COLUMBUS, OH

Good morning Chairman Conaway, Ranking Member Peterson, and Members of the Committee. Thank you for the opportunity to testify today. I particularly want to recognize Ohio Representatives Gibbs and Fudge for their service on this Committee.

My name is Dave Yost. I am the Auditor of the State of Ohio, one of five constitutional officers elected statewide.

Recently, our team audited EBT card usage data to identify indicators of fraud or misuse. The main goal of the audit was not to find cases of fraud, but to search for structural weaknesses in the program that heighten risk. Our findings lead me to conclude that there are likely millions of dollars in fraud in Ohio's $2.5 billion program.

The problems we found will not resolve the Federal deficit, but fraud and poor management undermine public support for the program.

Ohio SNAP Audit Findings

We looked at a 6 month period in 2015. I have attached the entire report to my testimony, but in the interest of time, I will point out a few of the more troubling findings.

Deceased Recipients

We identified 36 instances where dead people received benefits more than a year after their death. In some cases, someone was still using the card. Federal law requires *at least* an annual comparison of death records against the list of beneficiaries—so the number should have been zero. (There were actually more than 1,862 people who continued to receive benefits after death, but for a period of less than a year.)

Excessive Card Balances

We also found 1,337 recipients with balances greater than $2,300—about twice the maximum benefit for a family of eight. Some 173 had balances of more than $5,000—including one with more than $20,000.

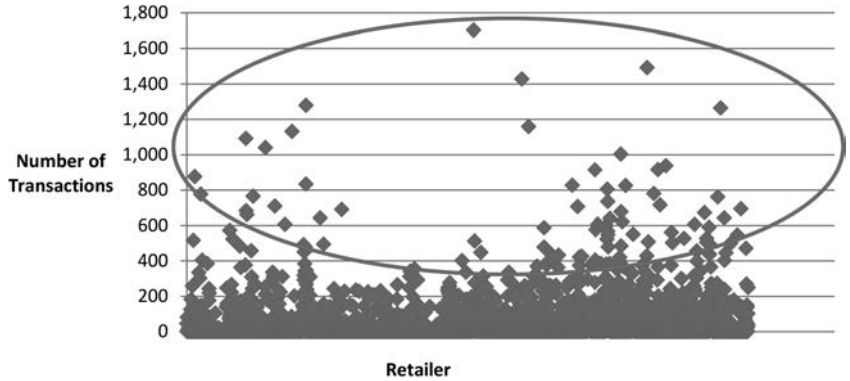
If you can bank thousands of dollars, you are not in immediate need.

States may only expunge benefits after an entire year of dormancy. But if the card is used just once—even for a can of soda—that 1 year clock resets and balances can continue to grow.

Unusual Card Activity

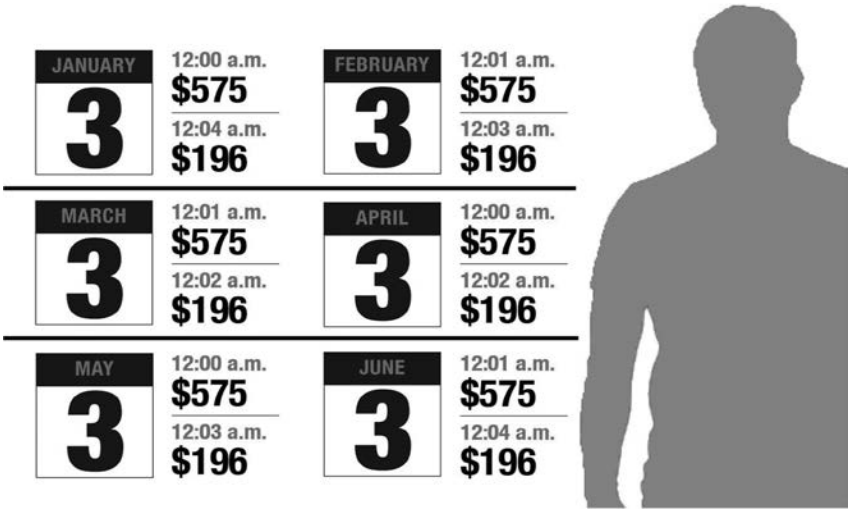
When was the last time you went grocery shopping and walked away with a bill of exactly $100 and no cents? We found 183,400 such examples of $100 or more—totaling $28.5 million.

Even Dollar Transactions



Or, how often have you checked out at the grocery store at precisely the same time every month and had the exact same total every month, 6 months in a row? We found that.

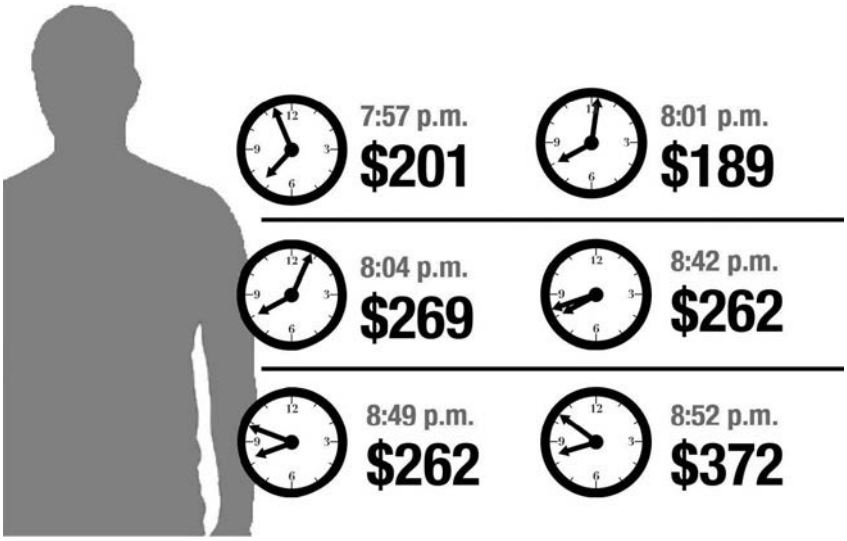
Unusual Card Activity



We also found multiple purchases by one person from the same retailer within the same hour. A person we've dubbed Recipient No. 9 used their card to make six purchases for $1,555—all within 1 hour! When did you last spend that much on groceries?

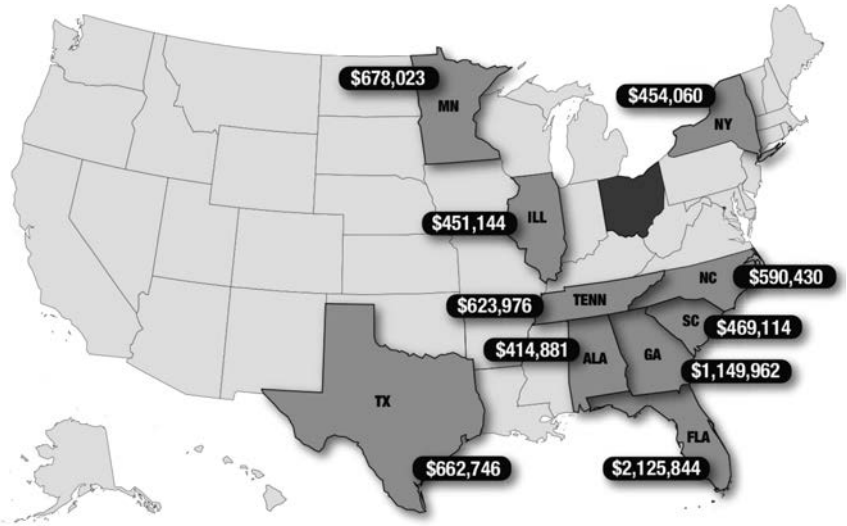
One Hour Transactions

One Recipient, One Hour, Two Retailers, Six Transactions



Recipients can use their benefit card in other states, and we expected to see usage in our neighboring states. But we didn't expect to find usage in states as far away as Florida, Texas and Minnesota. We found $28.7 million spent outside of Ohio, more than a third of it spent in far-flung states. Are these recipients living in other states, or selling benefits, or double-dipping?

Where is Ohio money going?



The Federal Public Assistance Reporting Information System (PARIS) uses data-matching to identify people who might receive duplicate benefits in two or more states. But the states only have to submit information once a year and are not required to report on SNAP. This important program needs to be strengthened.

Multiple Reports

In total, we reviewed seven different reports that identify retailers and individuals with suspect activity. Merely being on such a report does not mean that a person committed fraud.

But we found nearly 1,100 recipients who appeared on five of the seven reports and more than 1,400 retailers flagged on four reports.

Appearing on one report might be meaningless. Showing up on most of them is what we in law enforcement refer to as a clue.

Benefits of Auditing and Data Mining

There is much more in the report, but all of it points to two things: weaknesses in the system that can be exploited to commit fraud, and a set of tools that can be used to manage the program better, much better.

This is not limited to Ohio. Only about ¼ of the states have undertaken this sort of audit, but the results are similar across the country.

Mr. Chairman, I am grateful that this Committee is undertaking study and reform. Our report makes some suggestions, and you will hear others. But, I would suggest an overarching principle for reform: Block-granting this program to the states.

While we can identify the problems, the solutions are often less obvious. The only iron rule in government, it seems, is the Law of Unintended Consequences. When the Federal Government makes a change and there are unintended consequences, we all feel the pain if a reform fails. If the states develop their own management systems, failures will be limited to that state, and the successes and innovations will be there for others to copy.

I do not believe that fraud is rampant in Ohio, but it does exist, and it is significant. Food stamp fraud hardens the hearts of good people and deafens their ears to the sound of hunger. Every dollar wasted or fraudulently spent is a dollar that could be used for its intended purpose: to feed the poor. For those who hunger, and for those who pay the bill, we owe a greater effort toward integrity.

[ATTACHMENT]

Ohio Department of Job and Family Services—Auditor's Report on the Supplemental Nutrition Assistance Program for the Period January 1, 2015 Through June 30, 2015

Hon. DAVE YOST, *Auditor of State*

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Auditor's Report

Ohio Department of Job and Family Services
30 East Broad Street, 32nd Floor
Columbus, OH 43215

We have audited the Ohio Department of Job and Family Services' (the Department) Supplemental Nutrition Assistance Program (SNAP—formerly known as Food Stamps) Electronic Benefit Transfer Card (EBT) usage data and other pertinent information for the period January 1, 2015 through June 30, 2015, under the authority of Ohio Revised Code Section 117.11.

We have performed the procedures enumerated in this report to identify anomalies which may indicate higher risks related to misuse, fraud, or other concerns regarding SNAP EBT Card transactions and inquired whether procedures were in place to mitigate the identified risks.

The information that follows describes the procedures performed during our audit and the related results for each procedure. Our analysis was based on information provided by the Department directly, including reports for analysis they obtained from a service organization; the completeness and accuracy of which we could not verify. The Department indicated they reviewed the reports prior to providing them for audit. Because retailer and recipient information is confidential according to the Food and Nutrition Act of 2008 at 7 U.S.C. 2018(c) and 7 CFR 278.1(q), we have not included any names or other identifiers in our report results.

This engagement was not a financial or performance audit, the objectives of which would be vastly different. Therefore, it was not within the scope of this work to conduct a comprehensive and detailed examination of the SNAP EBT Card activity or test for compliance with program requirements and other Federal regulations, or evaluate for efficiencies of the processes.

On May 26, 2016, we held an exit conference with the Department's management and discussed the contents of this report. A response was received on June 8, 2016 and was evaluated and included in our working papers.

DAVE YOST,
Auditor of State,
Columbus, Ohio,
May 26, 2016.

General Background

The Department is the single state agency responsible for administering the SNAP program in Ohio. During Fiscal Year (FY) 2015, the Department reported approximately $2.5 billion in SNAP benefits issued to 824,231 primary recipients on behalf of their assistance groups (referred to throughout this report as recipients); approximately $1.3 billion of which was issued during our 6 month audit period. The Department utilizes a state-supervised, county-administered approach for the SNAP program. As a result, certain processing functions are performed by the 88 County Departments of Job and Family Services (CDJFS). The Department's Client Registry Information System—Enhanced (CRIS–E) determines eligibility and benefit amounts based on income, dependents, and other information entered by the 88 CDJFS. The Ohio Benefits System (a new integrated eligibility system) is expected to replace CRIS–E in 2017. Any recommendations referenced to CRIS–E would also apply to the new eligibility system. The CDJFS are also tasked with maintaining the documentation to support the information entered into CRIS–E and for following up on recipient issues.

The Department has also contracted with a service organization, Xerox, to perform various functions related to the SNAP EBT Card process, including:

- issuing EBT cards to SNAP recipients based on eligibility information from CRIS–E;
- loading available benefits onto the EBT cards each month based on information from CRIS–E;
- expunging expired benefits from the cards based on rules provided by the Department;
- processing food purchase transactions from the retailers (provided to the United States Department of Agriculture's, Food Nutrition Services (FNS)); and
- requesting reimbursement for food purchases on behalf of the retailers from FNS.

The EBT cards are automatically loaded each month with the recipients' benefits issued. The recipients are then able to use their benefits to purchase (claim) food at retailers authorized by FNS by swiping their card and entering their PIN. FNS has maintained responsibility for the identification and investigation of fraud related to retailers, although oftentimes contracts with other agencies for this function; the state is responsible for the identification and investigation of fraud related to recipients.

We requested and the Department provided several CRIS–E reports and Electronic Payment Processing Information Control (EPPIC—Xerox report package system) reports, in order to perform our audit. We also requested listings of deceased individuals from the Ohio Department of Health for 2010 through 2014. In addition, we inquired with the Department and ten selected CDJFS regarding procedures used to mitigate the identified risks. All amounts included in this report have been rounded to the nearest dollar, unless otherwise indicated.

Deceased Recipients

7 CFR 272.14(c)(1) requires that states shall provide a system for:

> Comparing identifiable information about each household member against information from databases on deceased individuals. States shall make the comparison of matched data at the time of application and no less frequently than once a year.

If benefits are issued and loaded onto EBT cards on behalf of deceased individuals, there is a higher risk those benefits will be obtained and used by an unauthorized individual. This risk is further increased if benefits are not terminated timely. Under the current process, the Department receives files weekly from the United States Department of Commerce—National Technical Information Services' (NTIS) database listing all deceased individuals. The listing is uploaded and stored within CRIS–E and CRIS–E matches to recipient data at midnight that evening. When CRIS–E matches a new deceased record with an existing recipient, an error alert is generated for the recipient's case file record. The CDJFS case worker is to review and verify the alert and take appropriate action. However, because of the current "pay and chase" process in place, if these alerts are not worked timely, there is an increased risk and effort in recouping inappropriate benefits claimed. Using the 2010 through 2014 deceased files obtained from the Ohio Department of Health, we performed the following procedures:

(A) We compared deceased individuals to benefit recipients in CRIS–E and identified 1,862 instances in which a deceased individual was issued benefits during the audit period. We then evaluated the date of death to determine if it was prior to January 1, 2014 to evaluate the Department's compliance with 7 CFR 272.14(c)(1) which only requires they perform the match to deceased individuals "no less frequently than annually", resulting in a possibility of a 12 month lapse between the date of death and the update of CRIS–E records. We identified 36 instances in which the individual's date of death was prior to January 1, 2014 and, thus, the CRIS–E file should have been updated prior to our audit period. The Department issued an estimated $24,406 in benefits to these recipients; $13,598 of which was claimed for nine of these recipients, resulting in questioned costs for the claimed amount included in the FY 2015 State of Ohio Single Audit Report. The Department's related corrective action plan was also included in the State of Ohio Single Audit Report.

(B) We haphazardly selected 20 deceased individuals from those remaining in the deceased file (excluding the items matched from step A above). For each individual selected, we verified CRIS–E was updated within 1 year from the date of death and the individual's benefits were terminated, per the code of Federal regulations. There were claims paid to the recipient number after the date of death, however, all 20 of these individuals were part of a larger recipient group that would be associated with the same recipient number.

Recommendation No. 1

We recommend the Department implement additional procedures to reasonably ensure the CDJFS caseworkers are reviewing and verifying the CRIS–E error alerts and taking appropriate action timely to reduce the risk that benefits are being claimed by an unauthorized individual. The Department should:

- Conduct additional mandatory training with CDJFS caseworkers pertaining to the review and resolution of CRIS–E errors alerts generated for deceased individuals, including more timely resolution of alerts.
- Implement a process to prioritize these alerts for the CDJFS caseworkers to follow up on based on number of fields matched.
- Perform quarterly reviews, at a minimum, of all CRIS–E error alerts generated for deceased individuals and reasonably ensure they are being investigated and resolved timely by the CDJFS.

Recommendation No. 1—Continued

- Consider implementing an automated control in CRIS–E to terminate eligibility for recipients when all data related to the deceased individual matches to the data provided by the NTIS.
- Investigate the recipients specifically identified in our testing to ensure any necessary repayments are received or additional actions are taken.

Duplicated Recipients

If one individual is assigned multiple recipient numbers, there is a higher risk the individual will be issued duplicate benefits, which could result in unallowable and/or fraudulent benefit claims paid. When a new applicant's information is entered into CRIS–E, a recipient number is assigned to the applicant. If the CRIS–E edit checks identify this individual may already be assigned a recipient number, an error alert is generated for the CDJFS caseworker to review/investigate the alert and take appropriate action. These error alerts are generated to help ensure one individual is not assigned multiple recipient numbers. In addition, during the application entry process, the caseworker is to ensure the [S]ocial [S]ecurity [N]umber provided is valid by checking it in a CRIS–E subsystem, which interfaces with the United States Social Security Administration's (SSA) database. Using the overall benefits listing report from CRIS–E, we performed the following procedures:

(A) We identified all individuals on the recipient listing who had the same name and date of birth, but with different [S]ocial [S]ecurity [N]umbers and recipient numbers. There were 153 instances identified where an individual's name and date of birth was associated with more than one recipient number for a total of 322 recipient numbers. We were able to determine that, in 104 of the 153 instances, each individual had a valid [S]ocial [S]ecurity [N]umber and were, therefore, separate individuals. For the remaining 49 instances related to 98 recipient numbers, one of the [S]ocial [S]ecurity [N]umbers was not a valid number. The Department indicated that, in 37 of these instances, the [S]ocial [S]ecurity [N]umber was inaccurately entered initially. Once the mistake was identified, the CDJFS case worker entered the correct [S]ocial [S]ecurity [N]umber and a new recipient number was generated. However, there were 12 instances related to 24 recipient numbers in which benefits, totaling $17,878, were issued for the same months and the recipient could have received duplicate benefits. This amount was included in the questioned costs reported in the FY 2015 State of Ohio Single Audit Report. The Department's related corrective action plan was also included in the State of Ohio Single Audit Report.

(B) We compared [S]ocial [S]ecurity [N]umbers to all recipient numbers in CRIS–E. There were four instances identified where two recipient numbers were associated with the same [S]ocial [S]ecurity [N]umber for a total of eight recipient numbers. We were able to determine no overlapping benefit payments were made to four of these recipient numbers because a new recipient number was assigned when the individual reapplied due to changes in their eligibility. In the other four cases, the recipient numbers were created within the system for test purposes and were not actual recipients.

Recommendation No. 2

We recommend the Department implement additional procedures to reasonably ensure the CDJFS caseworkers are reviewing and investigating the CRIS–E error alerts and validating the [S]ocial [S]ecurity [N]umber provided during the application process. The Department should:

- Conduct additional mandatory training with CDJFS caseworkers pertaining to the application entry process. The training provided should specifically address how to review, investigate, and resolve errors alerts generated during the applicant entry process and reiterate the importance of validating the [S]ocial [S]ecurity [N]umber in the SSA subsystem.
- Implement a process to prioritize these alerts for the CDJFS caseworkers to follow up on.
- Perform quarterly reviews, at a minimum, of all CRIS–E error alerts generated for possible duplicated recipients and reasonably ensure they are being investigated and resolved timely by the CDJFS.

Recommendation No. 2—Continued

- Consider implementing an automated control in CRIS–E to perform a real-time [S]ocial [S]ecurity [N]umber check to ensure a valid [S]ocial [S]ecurity [N]umber is entered prior to the determination of eligibility.
- Investigate the recipients specifically identified in our testing to ensure any necessary repayments are received or additional actions are taken.

Unusual Card Activity

In many instances, fraud or other issues may be identified through data analysis. Xerox has made several standard "fraud" reports available to the Department and 88 CDJFS within the EPPIC reporting system. These reports can be used to identify possible anomalies or unusual occurrences pertaining to EBT card activities. We requested several EPPIC reports for our audit period from the Department, who reviewed the reports provided by Xerox prior to releasing them to us. We then reviewed the reports to identify anomalies which may indicate higher risks related to misuse of EBT cards.

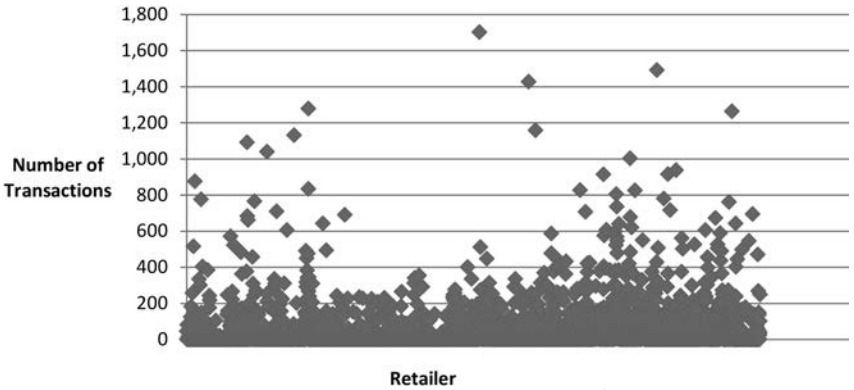
Even Dollar Transactions

We identified even dollar purchase transactions exceeding $100. Even dollar transactions are not common when purchasing food, particularly at small retailers where inventories are more limited. This risk could be less at large retailers where recipients are more likely to use their full benefit amount, typically issued in whole dollars. Therefore, excessive even dollar transactions associated with a certain recipient and/or retailer could signify potential fraudulent activity. The total even dollar transactions for our audit period were as follows:

Total Retailers	Total Recipients	Total Transactions	Total Dollar Amount
13,200	129,141	183,437	$28,503,733

(i) We prepared a graph showing all retailers utilized by recipients for even dollar transactions and the total number of these transactions per retailer to identify outliers.

Even Dollar Transactions



(ii) We analyzed all even dollar transactions exceeding $100 to identify retailers and recipients with multiple occurrences. The following tables list the top 10 small retailers (*i.e.,* those retailers not part of a chain representing higher risk) and recipients.

Small Retailers—Highest Even Dollar Transactions

Retailer No.	Total Dollar Value	No. of Transactions
1	$146,971	690
2	$119,133	707
3	$115,993	716
4	$112,900	776

Small Retailers—Highest Even Dollar Transactions—Continued

Retailer No.	Total Dollar Value	No. of Transactions
5	$94,356	597
6	$89,918	457
7	$80,971	370
8	$68,516	264
9	$59,636	236
10	$59,238	291
Total	***$947,632***	***5,104***

Recipients—Highest Even Dollar Transactions

Retailer No.	Total Dollar Value	No. of Transactions
1	$11,504	60
2	$4,626	12
3	$3,740	6
4	$3,258	6
5	$3,119	6
6	$3,096	6
7	$3,000	6
8	$2,908	9
9	$2,760	11
10	$2,734	8
Total	***$40,745***	***130***

(iii) We analyzed one recipient in our top 10 who also made significant even dollar purchases at one of the top 10 small retailers listed above. Below are the results.

Recipient No. 2 Even Dollar Transactions

Transaction No.	Date and Time of Transaction	Amount of Transaction	Retailer
1	1/3/2015 12:00 a.m.	$575	No. 1.
2	1/3/2015 12:04 a.m.	$196	No. 1.
3	2/3/2015 12:01 a.m.	$575	No. 1.
4	2/3/2015 12:03 a.m.	$196	No. 1.
5	3/3/2015 12:01 a.m.	$575	No. 1.
6	3/3/2015 12:02 a.m.	$196	No. 1.
7	4/3/2015 12:00 a.m.	$575	No. 1.
8	4/3/2015 12:02 a.m.	$196	No. 1.
9	5/3/2015 12:00 a.m.	$575	No. 1.
10	5/3/2015 12:03 a.m.	$196	No. 1.
11	6/3/2015 12:01 a.m.	$575	No. 1.
12	6/3/2015 12:04 a.m.	$196	No. 1.
Total		***$4,626***	

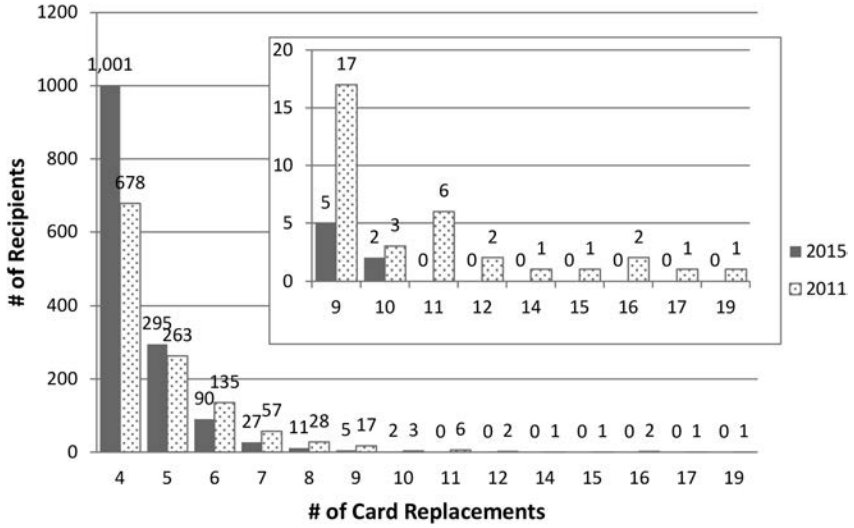
Recommendation No. 3

- The *Even Dollar Transaction Report* should be used as a monitoring tool to identify recipients with a significant number of even dollar transactions and implement procedures to investigate unusual activity.
- As noted in the table above for Recipient 2, the dates, times of use, and same dollar amounts indicate an unusual pattern of use of the EBT card. The Department should review the individual transactions for each recipient and retailer identified in our testing to determine whether the amount and time the transactions were completed are unusual and should be further investigated.
- The outliers identified in the retailer graph above should be reviewed to determine if there is anything unusual about the transactions associated with these retailers and if these retailers should be referred to the appropriate investigative agency.
- As other anomalies are noted pertaining to retailers, the information should be forwarded to the appropriate investigative agency.

Replacement Cards

7 CFR 274.6(b)(5), effective November 2013, states, in part, "The state agency may require an individual member of a household to contact the state agency to provide an explanation in cases where the number of requests for card replacements is determined excessive. If they so require, the state agency must establish a threshold for the number of card replacements during a specified period of time to be considered excessive. That threshold shall not be less than four cards requested within 12 months prior to the request . . ." The Department has determined that four or more replacement cards issued during a 12 month period is considered excessive. We identified recipients that were issued replacement cards four or more times ("excessive replacement card recipients") during our audit period. Excessive replacement cards issued to recipients could indicate the cards are being sold or otherwise traded for cash or other commodities, requiring the recipient to request additional cards. There were 1,431 recipients that were issued four or more replacement cards during our audit period. We also compared the number of recipients receiving excessive replacement cards to excessive replacement card recipients in 2011 for the same months; 2011 was the last year similar procedures were conducted. See the results in the graph below.

Excessive (Four Or More) Card Replacements



We also compared the fluctuation percentage for recipients with ten or more replacement cards to the total number of SNAP recipients. In 2011, we determined recipients issued ten or more replacement cards over the life of the EBT card program starting in March 2006 were excessive and reviewed accordingly. A decrease in the number of recipients with ten or more replacement cards issued was expected if recommendations made in the 2011 audit were implemented. There was a decrease in the percentage of recipients with ten or more replacement cards issued from 2011 to 2015 for the same 6 month period, and therefore, it appears that the Department implemented procedures to reduce the number of replacement cards issued.

Period	Total Excessive Replacement Card Recipients	Total SNAP Recipients	% of Recipients with Frequent Replacement Cards
2011	17	832,677	0.02042%
2015	2	824,231	0.00024%

Recommendation No. 4

Implement procedures to review the *Card Issuance & Replacement Report* to reasonably ensure that excessive replacement cards issued are investigated and any possible fraudulent activity resulting from excessive issuances is investigated and action taken.

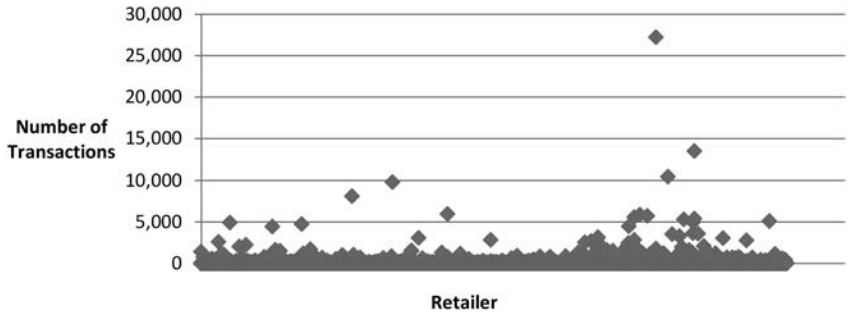
Out-of-State Activity

We identified all EBT card activity occurring out of state. If EBT cards are excessively utilized out of state, this could indicate the recipient does not live within state lines, is receiving benefits in more than one state, and/or exchanging their EBT card with others for cash and/or other commodities. The total purchase transactions made out of state were:

Recipients	Number of Transactions	Total Amount
118,316	909,177	$28,725,305

(i) We prepared a graph showing all retailers utilized by SNAP recipients out-of-state and the total number of transactions per retailer to identify outliers.

Out-of-State Activity



(ii) We removed all the border state activity from the listing and identified the following top 10 non-contiguous states with the most activity:

State	Total Recipients with Activity	Total Amount	Top Two Cities within the State	
Florida	9,174	$2,125,844	Orlando	$119,130
			Jacksonville	$104,091
Georgia	5,065	$1,149,962	Atlanta	$124,922
			Decatur	$58,833
Minnesota	4,733	$678,023	Marshall	$596,709
			Minneapolis	$17,893
Texas	2,458	$662,746	Houston	$92,770
			San Antonio	$48,944
Tennessee	4,823	$623,976	Memphis	$70,824
			Sevierville	$58,100
North Carolina	3,150	$590,430	Charlotte	$106,496
			Fayetteville	$24,478
South Carolina	3,215	$469,114	Myrtle Beach	$134,017
			Columbia	$32,816
New York	2,207	$454,060	Brooklyn	$75,394
			Bronx	$61,914
Illinois	2,783	$451,144	Chicago	$159,528
			Rockford	$12,718
Alabama	1,808	$414,881	Tuscaloosa	$51,448
			Birmingham	$32,136
Total	***39,416***	***$7,620,180***		

(iii) Next, we identified all the border state activity from the listing and noted the following:

State	Total Recipients with Activity	Total Amount	Top Two Cities within the State		Distance to City from Ohio Border (approximate)
West Virginia	20,887	$5,846,885	Mason	$1,335,979	1 mile
			Huntington	$932,926	3 miles
Kentucky	26,471	$5,049,361	Ashland	$1,361,317	1 mile
			Covington	$496,206	1 mile
Michigan	12,328	$2,295,295	Lambertville	$345,344	4 miles
			Detroit	$335,095	52 miles
Pennsylvania	11,299	$2,208,820	Erie	$303,357	32 miles
			Hermitage	$285,184	5 miles
Indiana	9,850	$2,125,093	Richmond	$496,068	5 miles
			Fort Wayne	$267,538	20 miles
Total	***80,835***	***$17,525,454***			

(iv) Since recipients living in counties bordering other states may use their card significantly within those bordering states, we removed all purchases made in a bordering state for any recipients whose county of residence bordered that state and analyzed the remaining activity. We identified the top 10 recipients with the most out-of-state activity:

Recipient No.	State	County of Residence	Total Amount	Number of Transactions
1	Pennsylvania	Franklin	$2,775	31
2	Michigan	Cuyahoga	$2,722	3
3	New York	Cuyahoga	$2,155	1
4	South Carolina	Seneca	$2,056	4
5	Kentucky	Butler	$1,663	10
6	Colorado	Montgomery	$1,608	11
7	Florida	Stark	$1,543	24
8	Illinois	Franklin	$1,533	8
9	Mississippi	Ashtabula	$1,471	7
10	Arkansas	Lucas	$1,442	36

Recommendation No. 5

- Implement additional monitoring procedures to review the *Out-of-State Activity Report* and investigate recipients utilizing their EBT card multiple times out of state.
- Determine whether the large amount of out-of-state usage is due to travel required by employment or other valid reasons.
- Consider additional procedures to verify the recipient is not also receiving benefits in other states, which would require corroboration with those states.
- The outliers identified in the retailer graph above should be reviewed to determine if there is anything unusual about the transactions associated with these retailers and if these retailers should be referred to the appropriate investigative agency.
- As other anomalies are noted pertaining to retailers, the information should be forwarded to the appropriate investigative agency.

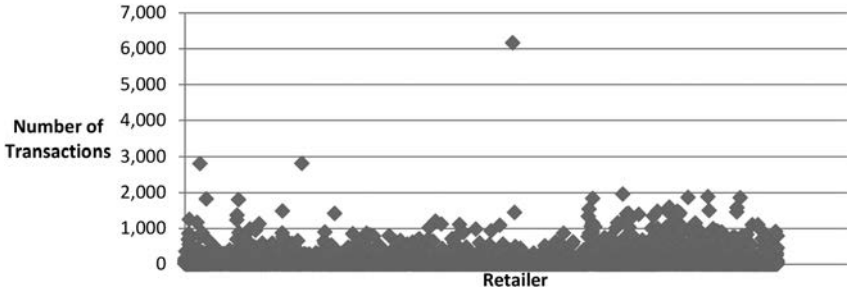
Manual Card Entries

We identified all purchase transactions associated with manual card entries. These entries involve keying in the card number and PIN at the point of sale either because the card swipe did not work or because the EBT card was not present. Excessive manual card entries could indicate the benefits are not being utilized by the intended recipient, or there are issues with the EBT cards themselves.

Total Retailers	Total Recipients	Total Transactions	Total Amount
10,188	109,172	679,236	$17,338,056

(i) We prepared a graph showing all retailers utilized by recipients for manual card entry transactions and the total number of these transactions per retailer to identify outliers.

Manual Card Entry



(ii) We identified the top 10 retailers with the highest dollar amount associated with manual card entries.

Retailer No.	Amount	Transactions
1	$152,717	2,813
2	$148,435	814
3	$128,127	1,950
4	$124,986	2,800
5	$120,149	2,251
6	$92,091	1,416
7	$89,761	1,533
8	$85,404	1,795
9	$82,671	1,591
10	$81,736	1,551
Total	***$1,106,077***	***18,514***

(iii) We also identified the top 10 recipients with the highest dollar amount associated with manual card entries.

Retailer No.	Amount	Transactions
1	$8,055	98
2	$7,885	161
3	$7,003	101
4	$6,578	268
5	$6,347	123
6	$6,184	266
7	$6,017	71
8	$5,946	602
9	$5,942	135
10	$5,908	110
Total	***$65,866***	***1,935***

Recommendation No. 6

- Implement procedures to review the *Manual Card Entry Report* and investigate recipients with an excessive number of manual card entries to determine the reason the EBT cards are not being swiped. These procedures could include recipient inquiry and the review of additional EPPIC reports.
- The outliers identified in the retailer graph above should be reviewed to determine if there is anything unusual about the transactions associated with these retailers and if these retailers should be referred to the appropriate investigative agency.
- As other anomalies are noted pertaining to retailers, the information should be forwarded to the appropriate investigative agency.

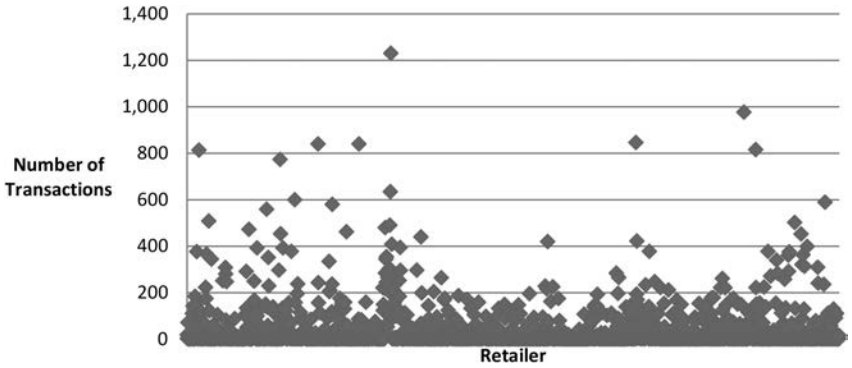
Full Benefit Withdrawal Transactions

We identified all individual purchase transactions where at least the full monthly benefit amount awarded was withdrawn in a single purchase transaction. This could indicate the recipients were transferring their benefits to others for cash or other commodities, or they had other resources available indicating they may no longer

be eligible for benefits. There were 96,367 recipients with 152,740 full benefit withdrawal transactions totaling $25,430,189.

(i) We prepared a graph showing all retailers utilized by recipients for full benefit withdrawaltransactions and the total number of these transactions per retailer to identify outliers.

Full Benefit Withdrawal Transactions



(ii) Next, we identified all recipients with one purchase transaction that exceeded three times their benefit issuance amount, as identified in the table below. We performed this additional analysis as it could be reasonable to use 1 month's benefit issuance in one transaction; however, the use of three times the benefit issuance amount in one transaction would seem more unusual.

Total Recipients	Total Transactions	Total Amount
274	274	$57,218

The ten highest dollar transactions were identified.

Recipient No.	Total Purchase	Transaction Date/ Time	Monthly Benefit Amount
1	$1,323	3/4/2015 12:02 p.m.	$194
2	$1,281	2/20/2015 3:45 p.m.	$194
3	$1,273	5/26/2015 5:21 a.m.	$194
4	$1,242	6/2/2015 5:56 a.m.	$156
5	$1,108	3/4/2015 12:03 p.m.	$194
6	$1,073	3/29/2015 5:44 p.m.	$194
7	$1,063	5/22/2015 11:24 a.m.	$194
8	$1,027	6/2/2015 5:56 a.m.	$194
9	$898	6/25/2015 1:01 a.m.	$163
10	$781	2/20/2015 1:12 p.m.	$194

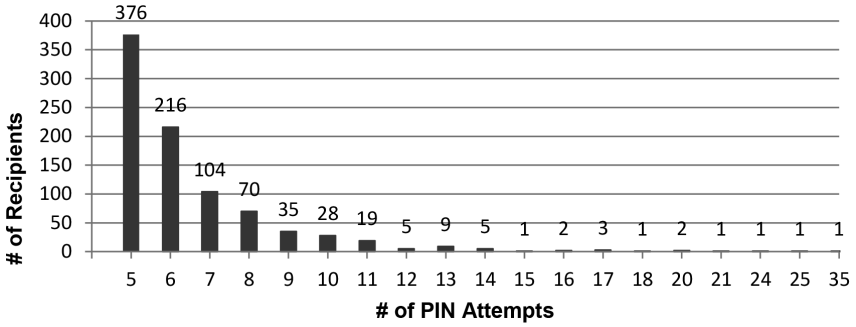
Recommendation No. 7

- Review the *Full Food Assistance Balance Withdrawal Report* to identify recipients with a significant number of full benefit withdrawal transactions and review the individual transactions to determine if there are any unusual patterns identified. If anomalies are identified, determine methods and implement procedures to investigate these recipients.
- If the recipient carries a large accumulated balance on their card, investigate the reason for the large balance as detailed in *Recommendation No. 12* below.
- The outliers identified in the retailer graph above should be reviewed to determine if there is anything unusual about the transactions associated with these retailers and if these retailers should be referred to the appropriate investigative agency.
- As other anomalies are noted pertaining to retailers, the information should be forwarded to the appropriate investigative agency.

Excessive PIN Attempts

We identified all recipients who exceeded their allotted four PIN attempts (as determined by the Department). If four unsuccessful PIN attempts are made, the card is automatically locked and cannot be used until the recipient resets the PIN. If a recipient has an excessive number of unsuccessful PIN attempts, this could indicate the individual is not the rightful owner of the card. We identified a total of 7,938 recipients with 18,878 unsuccessful PIN attempts; 880 of these recipients had an excessive number (more than four) of PIN attempts, as detailed below.

Excessive (More Than Four) PIN Attempts



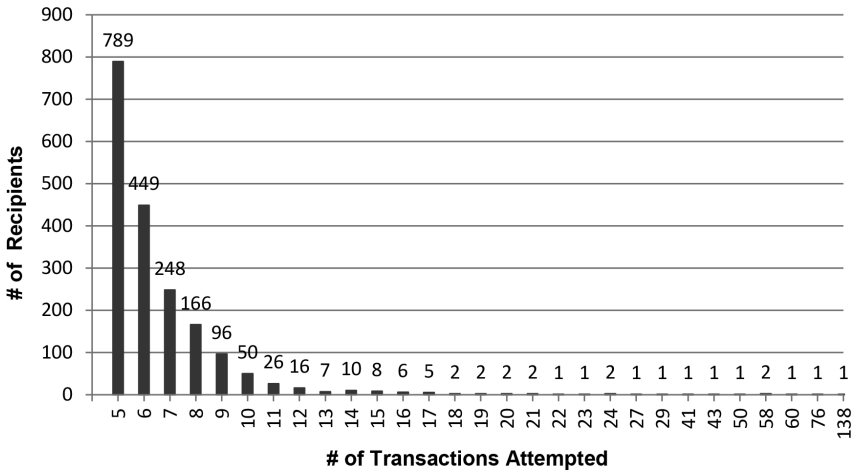
Recommendation No. 8

Implement procedures to review the *Excessive PIN Attempts Report* to identify recipients with a significant number of PIN attempts, and determine the reason for the excessive attempts. Consider reviewing EPPIC transaction history reports to identify any other unusual activity that may indicate an unauthorized individual was utilizing the card.

Invalid Card Attempts

We identified all purchase transactions attempted on an invalid card (reported as lost, damaged, stolen, *etc.*). Transactions attempted on an invalid card could indicate an unauthorized individual attempted to use the card. There were a total of 12,906 excessive (more than four) transactions attempted on an invalid card relating to 1,898 recipient accounts, as shown below:

Excessive (More Than Four) Transactions Attempted on Invalid Card



Recommendation No. 9

Review the *Transactions Attempted on Invalid Card Report* to identify recipients with a significant number of transactions attempted on an invalid card assigned to them, and determine the reason for the excessive attempts. Consider reviewing EPPIC transaction history reports to identify any other unusual activity that may indicate an unauthorized individual was utilizing the card.

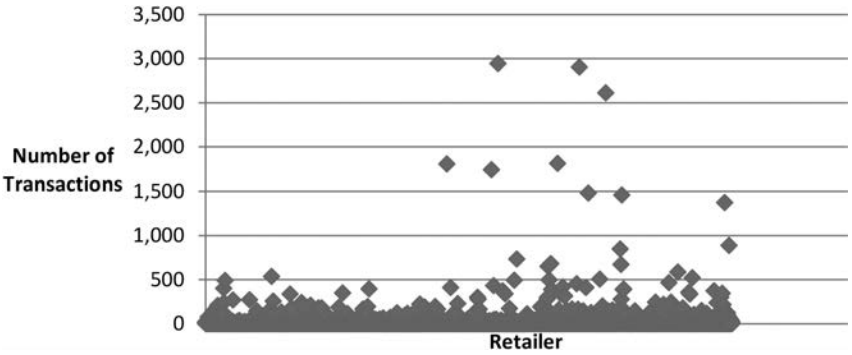
Multiple Consecutive Transactions

We identified multiple purchase transactions occurring on one recipient account within 1 hour, shown in the table below, by month. If the card or benefits are being used excessively within a short amount of time, especially utilizing a single retailer, this could indicate the card is being exchanged for cash and/or being used by multiple unauthorized individuals.

Month	Retailers	Recipients	Transactions	Amount
January	1,921	2,628	15,835	$365,124
February	1,686	2,211	13,245	$315,923
March	1,887	2,570	15,561	$341,215
April	1,890	2,576	15,529	$353,262
May	2,114	2,875	16,363	$357,229
June	2,144	2,887	16,387	$364,422
Total	***11,642***	***15,747***	***92,920***	***$2,097,175***

(i) We prepared a graph showing all retailers utilized by SNAP recipients for multiple transactions within 1 hour and the total number of these transactions per retailer to identify outliers.

Multiple Transactions Within One Hour



(ii) We identified the top 10 recipients with the highest dollar amount of transactions within a 1 hour period during the 6 month period tested.

Recipient No.	Transactions	No. of 1 hour time periods	No. of Retailers Visited	Amount of All Transactions
1	48	7	2	$2,343
2	54	7	20	$2,335
3	68	6	23	$2,079
4	44	7	17	$1,920
5	26	5	5	$1,879
6	23	4	4	$1,825
7	31	4	2	$1,707
8	12	3	7	$1,671
9	6	1	2	$1,555
10	24	4	8	$1,545
Total	***336***	***48***	***90***	***$18,859***

(iii) We analyzed an individual 1 hour period for Recipient No. 9 in our top 10. Below are the results.

Transaction No.	Transaction Date/Time	Retailer No.	Amount of Transaction
1	1/31/2015 7:57 p.m.	1	$201
2	1/31/2015 8:01 p.m.	1	$189
3	1/31/2015 8:04 p.m.	1	$269
4	1/31/2015 8:42 p.m.	2	$262
5	1/31/2015 8:49 p.m.	2	$262
6	1/31/2015 8:52 p.m.	2	$372
Total			***$1,555***

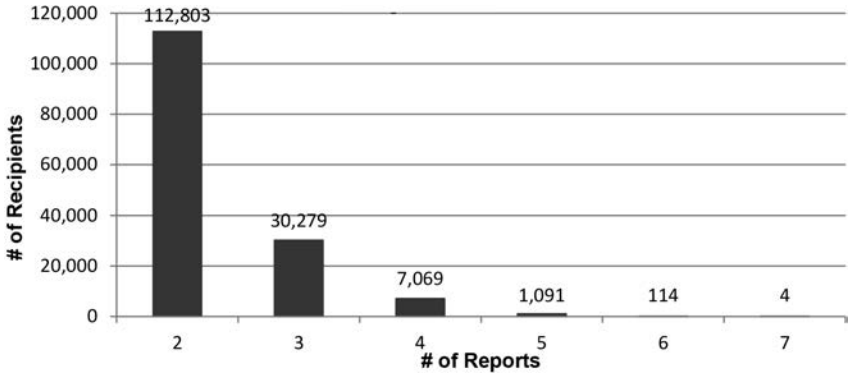
Recommendation No. 10

- Review the *Multiple Transactions Within 1 Hour Report* to identify recipients with a significant amount of transactions within multiple 1 hour periods. Identify the retailers utilized in these instances to determine whether the same retailer was utilized during the period. If the same retailer is utilized multiple times within the same period, this could indicate the card is being exchanged for cash and/or used by multiple ineligible individuals. If anomalies are identified, determine methods and implement procedures to investigate these recipients.
- The outliers identified in the retailer graph above should be reviewed to determine if there is anything unusual about the transactions associated with these retailers and if these retailers should be referred to the appropriate investigative agency.
- As other anomalies are noted pertaining to retailers, the information should be forwarded to the appropriate investigative agency.

Recipients and Retailers Identified on Multiple Reports

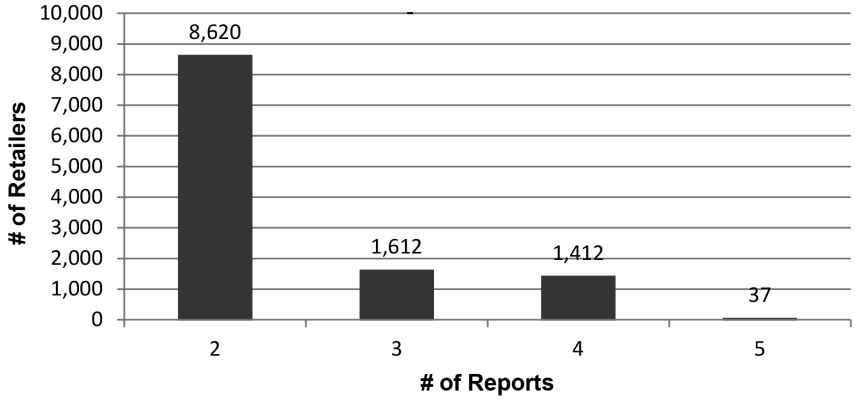
Using all eight of the EPPIC reports noted above, we identified recipients and retailers that appeared on more than one of the reports. If a recipient or retailer appears on multiple reports, there is a higher possibility that fraud or other questionable activity is occurring. There were 151,360 recipients appearing on multiple reports, as follows.

Recipients Identified on Multiple Reports



There were 11,681 retailers appearing on multiple reports, as follows.

Retailers Identified on Multiple Reports



Recommendation No. 11

- Utilizing all the standard EPPIC reports available, recipients and retailers appearing on multiple reports should be identified since this could be an indicator of fraudulent activity. Review the data periodically to identify outliers and other anomalies and investigate those occurrences.
- The 37 retailers identified in our testing on five reports should be referred to the appropriate authorities for investigation.

Excessive Card Balances

7 CFR 274.2(h) states:

(1) If EBT accounts are inactive for 3 months or longer, the state agency may store such benefits offline.

(i) Benefits stored off-line shall be made available upon reapplication or re-contact by the household;

(ii) The state agency shall attempt to notify the household of this action before storage of the benefits off-line and describe the steps necessary to bring the benefits back on-line;

(2) The state agency shall expunge benefits that have not been accessed by the household after a period of 1 year. Issuance reports shall reflect the adjustment to the state agency issuance totals to comply with monthly issuance reporting requirements prescribed under § 274.4.

(3) Procedures shall be established to permit the appropriate managers to adjust benefits that have already been posted to a benefit account prior to the household accessing the account; or, after an account has become dormant. The procedures shall also be applicable to removing stale accounts for off-line storage of benefits or when the benefits are expunged. Whenever benefits are expunged or stored off-line, the state agency shall document the date, amount of the benefits and storage location in the household case file.

In addition, the Department indicated the EBT contract requirements, approved by FNS, state:

Section 2.2.2.4 Benefit Expungement—

The Contractor must track aging at both the account and benefit level. Each food assistance benefit begins aging at the time it becomes available to the client. The EBT account begins aging at the point that the first benefit becomes available. Subsequently, each time that the client completes a transaction, the account aging clock is reset to start anew, even if one or more benefits have been expunged.

No benefits may be expunged until the account aging clock has reached 365 calendar days. Once the account has reached expungement age, only those benefits that have been available to the client for 365 or more calendar days shall be expunged. If one or more subsequent benefit authorizations for the same cli-

ent account have been available to the client for less than 365 calendar days, they are not expunged. They must remain online until each has reached full expungement age. If an account that has had all benefits expunged is reactivated because the client has again become eligible, the account must be treated in the same manner as a new account in terms of benefit aging and expungement timeframes.

An excessive benefit balance carried on an EBT card could signify the benefit balance has accumulated more than a period of 1 year increasing the risk of noncompliance with requirements. This could also indicate the recipient had additional resources available and was no longer in need of the benefits, allowing the benefits to be distributed elsewhere. Using a listing of all recipients with card balances greater than $2,300 (nearly double the maximum benefit amount for a family of eight), we identified a total of 1,337 recipients with a balance greater than this threshold on their card during the audit period, as listed below:

Balance Range:	Total Recipients	Total Balance Carried
$2,300–$2,999	706	$1,813,619
$3,000–$3,999	323	$1,104,199
$4,000–$4,999	135	$595,857
$5,000–$5,999	69	$374,777
$6,000–$6,999	40	$254,692
$7,000–$7,999	31	$230,454
$8,000–$8,999	6	$50,765
$9,000–$9,999	14	$131,772
$10,000–$10,999	3	$31,512
$11,000–$11,999	2	$22,658
$12,000–12,999	2	$24,685
$13,000–$13,999	1	$13,827
$14,000–$14,999	1	$14,496
$15,000–$15,999	0	0
$16,000–$16,999	1	$16,910
$17,000–$17,999	1	$17,471
$18,000–$18,999	1	$18,757
$19,000–$19,999	0	0
$20,000–$20,999	1	$20,610
Total	***1,337***	***$4,737,061***

We also obtained information from the Department, provided by Xerox, for each of the 1,337 high balance recipients listed above to show when their EBT card was last utilized. We found the high balance recipients last accessed their account/used their card in the following calendar years:

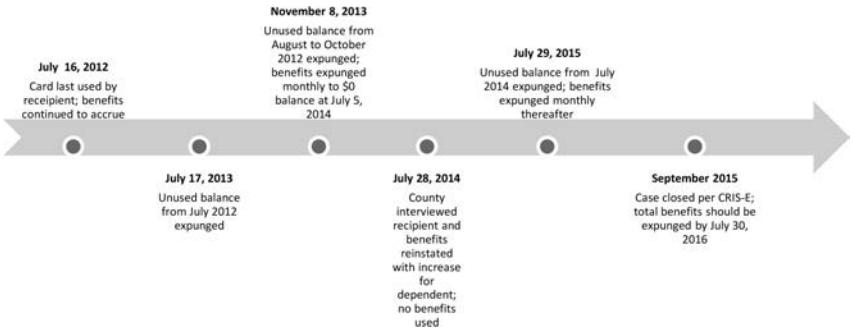
Calendar Year Recipient's Account Last Accessed	Total Recipients	Total Balance Carried
2012	7	$23,221
2013	19	$63,585
2014	72	$248,640
2015	1,165	$4,143,677
*	74	$257,938
Total	***1,337***	***$4,737,061***

Date Not Provided.

We reviewed a Xerox report documenting which recipients had benefits expunged during our audit period. Eight of the 26 (30.8%) recipients listed above who last accessed their accounts in 2012 and 2013 were not listed on the expungement report covering our 6 month period. The Department provided further information to indicate benefits for these eight recipients had been fully expunged prior to our audit period. However, these recipients continued to be eligible based on the redeterminations performed by the counties and, therefore, continued to earn benefits. Since the contract agreement requires benefits to be available for 365 days before expungement, their balances continued to accumulate even though they were not being used. See the timeline below for further information for one of these eight recipients. In addition, the Department indicated that no date was available for the 74 recipients for which no date was provided because those recipients had not accessed their benefits since at least July 2009 (the beginning date of the report provided). Of the 20 recipients selected for testing, ten were listed on the expungement report covering our 6 month period. In addition, the Department provided docu-

mentation for the other ten selected recipients from these 74 to show their benefits had been fully expunged prior to our audit period.

Timeline of Activities for Recipient One of Eight



Recommendation No. 12

- Investigate the remaining 54 of the 74 accounts identified above where a date the account was last accessed was not provided and verify the card balances loaded over a year ago were expunged as required by 7 CFR 274.2(h)(2).
- Utilize the standard EPPIC report that includes all recipient cards that have not been utilized in a year, the date the account was last active, and the benefits expunged to assist in monitoring card balances. Ensure Xerox immediately expunged those benefits to comply with the requirements of 7 CFR 274.2(h)(2).
- Implement procedures as allowed in 7 CFR 272(h)(1) to store any benefits not utilized for 3 months off-line. Only reactivate the benefits upon reapplication or re-contact by the recipient.
- Inquiries should be made at the time of reapplication or re-contact to determine why benefits had not been used and whether additional income or resources are available to the recipient that had not been reported to ensure continued eligibility is appropriate.

EPPIC Reports Use

(A) We inquired with the Department to determine whether they were using the EPPIC reports provided by Xerox. Department personnel indicated they do not use the reports for monitoring purposes. They indicated it is the CDJFS' responsibility to generate and review EPPIC reports, investigate fraud allegations, and recoup overpayments from recipients. The Department indicated it conducts quarterly meetings with CDJFS investigators and provides technical assistance and training to the CDJFS pertaining to EPPIC report use and investigations.

(B) We selected ten counties: Cuyahoga, Franklin, Hamilton, Holmes, Huron, Logan, Lucas, Montgomery, Muskingum, and Pickaway. We inquired with the CDJFS in these counties to determine:

i. Whether the CDJFS utilized the EPPIC reports;
ii. If sufficient and knowledgeable personnel were assigned to fraud identification and investigation;
iii. What procedures were in place for fraud identification and investigation;
iv. Whether training was provided by the Department;
v. If quarterly meetings were conducted with the Department; and,
vi. The steps that are taken when possible fraud is identified.

Based on the responses provided by the ten selected CDJFS:

- There are no procedures in place to review EPPIC reports to identify anomalies for possible investigation. Investigations are not initiated until the CDJFS receives a complaint or referral. At that point, the EPPIC reports are utilized only as they relate to the specific recipient under investigation.
- The Department does provide training and conducts quarterly meetings with the CDJFS for reviewing recipient family, income, and other information to identify potential fraud during the application process. The Department also provides training on how to handle a complaint and the cor-

responding investigation. However, the Department does not provide training pertaining to EPPIC report monitoring and how to identify anomalies and other outliers related to fraud and misuse of the EBT cards.

- Seven of ten CDJFS either do not have personnel dedicated full time to SNAP fraud identification and investigation, have only one investigator, or have had significant turnover and vacant positions in their fraud section.

Overall Recommendations

Since resources are often limited at the CDJFS, the Department should take a more proactive role in identifying possible fraud related to EBT cards and centralize the function. Centralizing this function at the Department level would allow specific personnel to become more experienced and adept at identifying and investigating anomalies and help focus the resources of both state and county personnel. In addition to the recommendations made throughout this report, we recommend the Department:

- Regularly review EPPIC reports and identify anomalies and other outliers for investigation. The information could then be passed to the CDJFS or appropriate authorities for investigation.
- Provide additional training to CDJFS personnel to help them better understand the EPPIC report data and how to proceed with investigations. The training materials provided should be maintained and readily made available to the CDJFS for reference.
- Conduct meetings with CDJFS personnel periodically to ensure all questions and concerns are addressed and investigations are being performed properly.
- Update and formally document the policies and procedures regarding the SNAP eligibility and fraud review/investigation process, including any changes made as a result of these recommendations. Communicate these policies and procedures to all affected staff, both state and county. Periodically review and update the policies and procedures to ensure they remain current and are sufficient.
- Ensure all procedures completed are documented and the documentation is maintained in accordance with established records retention policies.

Ohio Department of Job and Family Services Supplemental Nutrition Assistance Program—SNAP Franklin County Clerk's Certification

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

Clerk of the Bureau.

Certified June 28, 2016.

The CHAIRMAN. Thank you, Mr. Yost. I appreciate that.

The chair would remind Members that they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. And I appreciate Members' understanding.

I recognize myself for 5 minutes.

Ms. Brown, help me understand. The $38 floor is unique to SNAP, and it is figured into the 3.7 percent error rate, or is it not? Which is it?

Ms. BROWN. Well, what we understand from the threshold is it has come up and down over the years, but this most recent change gave us a good indicator that it probably did have an effect on the error rate. The rate had been going down for years, and when the threshold was changed from $50——

The CHAIRMAN. No, no, I mean, mechanically, errors inside the threshold are they included in the error rate for the 3.66, or are they not?

Ms. BROWN. Right.

The CHAIRMAN. Just the errors that we do find.

Ms. BROWN. Yes. The errors that are below the threshold are not included in that error rate.

The CHAIRMAN. All right, so the error rate of 3.66 is understated by, I think your testimony said 38 percent?

Ms. BROWN. Yes. There is a percentage, let me double check that just to make sure, but, yes, 38 percent.

The CHAIRMAN. Yes, that would equate to a 5.1 percent error rate if we included the safe harbor transactions?

Ms. BROWN. I don't think you can make that connection, because what we actually did was we looked at the percent of errors that were under the threshold, and then we looked at the percent of dollars that those errors made up.

The CHAIRMAN. Okay, so help me understand.

Ms. BROWN. It is complicated.

The CHAIRMAN. The 3.66 then would be understated, it is fair to say we don't know how much it is, but it is understated by some amount.

Ms. BROWN. Correct.

The CHAIRMAN. Okay.

Ms. BROWN. Yes.

The CHAIRMAN. All right. I appreciate that. Are there other means-tested programs that have a failsafe like this in their error rates.

Of all the other ones that we are comparing to, they track all the errors?

Ms. BROWN. We only looked at the four and SNAP was the only one that had that.

The CHAIRMAN. Okay. I appreciate that.

Ms. Shahin, would you walk us through the differences, when we start talking about fraud and error rates, give us the specifics between those two, and trafficking, let me throw that one in, error rates that are touted as being low *versus* fraud, which is not included in those error rates, I don't believe. Would you walk us through that briefly?

Ms. SHAHIN. Yes, sir, and thank you so much, because there can be confusion over that.

The error rate relates to improper payment. It could be an over-issuance or an under-issuance that is added together, it is an improper payment. The person received too much or they received too little.

When that happens, it happens at the state administrative, and we look to see where did that error come from. We find that about 62 percent of those mistakes or errors come from the state agency, about 38 percent of them come from the client. Just to give you an example, the state agency might not take action on a reported income change in the timeframe required, or a change in household composition. Mostly it is—Kay is right, most of it is related to income, which becomes more dynamic the more you have a population that is working. And we have seen a great deal of increase in the working families.

The CHAIRMAN. Right. So then USDA defines *fraud* then as what? Retailers and——

Ms. SHAHIN. Yes. Fraud, we are talking really about an intentional, purposeful action on the part of a client or a retailer. Traf-

ficking is an excellent example of that. That is when a client, and a retail is the most common kind, they collude together to say "I want cash for my SNAP benefits. I will give you 50¢ on the dollar, 80¢ on the dollar." Then the retailer gets the full amount into their account, and the——

The CHAIRMAN. In this example, the retailer would charge $100 on the card and give the recipient back some percentage of that?

Ms. SHAHIN.—it could be $50, $70, $80 whatever agreement they came to, yes.

The CHAIRMAN. Okay.

Recently, there was in the news a very large bust, $13 to $16 million, and it appeared to be conducted from storefronts that didn't even a business there. Is there not a site visit associated with the retailer approval process?

Ms. SHAHIN. Yes, sir, there is a site visit that is involved, and we have made a lot of improvements actually in the area of denying stores up-front because we are doing better work in that area. Are you talking about the one down near Miami?

The CHAIRMAN. It was in Florida, yes, ma'am.

Ms. SHAHIN. Opa Locka. Yes.

The CHAIRMAN. Yes, ma'am.

Ms. SHAHIN. So that is a really good example of the work of state law enforcement, our USDA OIG. Our agency actually were the first to get the hotline call. We did some investigation. It looked like trafficking was happening. It was referred over to OIG and they said, "Yes, this is a criminal case we want to go after." So it takes a little bit more time to get those done because they are taking criminal action.

The CHAIRMAN. Right, but my understanding of that one is the storefronts were just that; there were no businesses associated with it. There wasn't actually a retail shop there for folks to actually buy food.

Ms. SHAHIN. Yes. That is not the way I understand it but that is really good to know, so I can go back and check on that.

[The information referred to is located on p. 915.]

The CHAIRMAN. All right.

Ms. SHAHIN. Okay?

The CHAIRMAN. Well, thank you. I appreciate that. My time has expired.

Ms. SHAHIN. Sure. Can I just mention one thing on the threshold?

The CHAIRMAN. Yes, ma'am.

Ms. SHAHIN. Would you mind? On the threshold, I just——

The CHAIRMAN. No, I don't mind.

Ms. SHAHIN. On the threshold, the $37 was actually a part of the 2014 Farm Bill. So that threshold exists in the law.

The CHAIRMAN. Right. No, I understand.

Ms. SHAHIN. And I do want to make sure that folks know that while it doesn't count in the error rate, the states must provide us all of their errors, whether they are below the $37 or not, because they have to take action on anything they find in an over- or underpayment.

The CHAIRMAN. Even if it is below the threshold.

Ms. SHAHIN. Even if it is below, yes, sir. Absolutely. It is not in the error rate but it is a part of their reporting, and they must take action on it.

The CHAIRMAN. All right, thank you. I appreciate that clarification.

Ms. SHAHIN. Thank you.

The CHAIRMAN. Ranking Member Peterson.

Mr. PETERSON. Thank you, Mr. Chairman.

Ms. Shahin, I mentioned in my opening remarks that I am not the big fan of having these different standards. And I realize that in most cases it doesn't make a whole lot of difference. But, in North Dakota, people qualify for benefits that, if they were in my district in Minnesota, they don't. It is just not right, in my opinion. One question I have is with the LIHEAP situation. Minnesota is not one of those states where we had a lot of people on this dollar LIHEAP payout so that they were qualifying, and we raised it to $20, didn't we? Is that what we did? And CBO was saying at the time that the states wouldn't spend the $20 to qualify people. So what ended up happening? Did it knock a lot of people off the rolls that were on there before, or not, or what happened?

Ms. SHAHIN. Yes, on LIHEAP, and I am not anywhere near as good keeping numbers in my head, so let me just say I will go back and check and make sure I did this right, but I believe there were about 17 states that were doing the nominal, and I believe around 12 to 13 went ahead and brought their nominal LIHEAP up to the $20 to meet the law as it was provided for. The remainder did not. Once again, as you are suggesting, these are options and choices that we do have for states in terms of their flexibilities and ways they can approach the program. We have the national standards, but there are places and flexibilities that provide for that kind of thing.

[The information referred to is located on p. 915.]

Mr. PETERSON. In the categorical eligibility, which apparently was done to simplify the administration, that was the idea that it was supposed to be the same as welfare benefits. When we changed the welfare law back in 1996 and we allowed the states to do different levels, and all that sort of stuff. In the 2014 bill, I had discussions, and I brought up that we should raise the bottom 130 percent to some other number, and make it standard across the whole country and eliminate this. And some people didn't want to do that because, even though they were from states that would have actually cut people off of benefits, they were against it because it made it look like they were raising benefits. It got in the whole political thing. My question is, if we had a situation where we had one standard and that was it, and the states couldn't have a different level, would that eliminate some of these errors, would that reduce the error rate, or would that improve the situation or not?

Ms. SHAHIN. Actually, this might be a good question for Kay as well, but I do know that with fraud-based categorical eligibility it can reduce errors because of the streamlined administration, there are certain things, you are using a different program that you already have in your state, that is already means-tested, and you are using its income and asset limits for determining the eligibility of

the SNAP participant. But in the end, you still have to work the case, you still have to determine what the benefit is, and you still have to get really close to that 100 percent net to be eligible for a benefit. In other words, you might be eligible for the program but not for the benefit because of that. So that is kind of an important distinction as well.

It can have a positive effect on the error rate in terms of reducing it. I think that Kay has some thoughts on how it also might be a policy that can increase error rates.

Mr. PETERSON. Well, yes.

Ms. BROWN. Right. When we looked at this at broad-based categorical eligibility in particular, we did find that it did have some aspects that really helped simplify the process of determining eligibility, including the fact that many states were no longer looking at assets that applicants had when they came to apply. But the other side of that is, because states could go up to a higher income level for eligibility, they were allowing more people who had earned income to receive benefits, and that is one of the areas that is the highest likelihood to cause errors.

Mr. PETERSON. So both of you think it kind of cuts both ways?

Ms. BROWN. Yes. We said it had a mixed effect.

Mr. PETERSON. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Mr. Lucas, 5 minutes.

Mr. LUCAS. Thank you, Mr. Chairman. And the Ranking Member will remember in the joys of the 2012, 2013, and 2014 Farm Bill. There were a number of times when we tried to do things in a variety of places, in a really logical fashion, and that created the most problems. Trying to be reasonable, rational, and logical. It didn't mean that we weren't trying to do the right things, it just meant that, in a few places, some of our colleagues preferred the irrational to the rational. By the way, I like all my colleagues.

That said, Ms. Shahin, would you discuss for a moment the historic nature, the Food and Nutrition Service has always been responsible for retail fraud. The states have been tasked with looking at individual fraud cases, and as we mentioned here in a variety of areas, things changed in the 2014 Farm Bill included the fraud reduction pilot projects to expand that collaborative effort between state and Federal Government to prevent and detect retailer fraud. That was necessary because they increased the significant number of authorized retailers to participate in the program. And it provided states with some dedicated resources to help maintain that integrity. Can you expand for a moment on how USDA has implemented those pilot projects for a couple of minutes?

Ms. SHAHIN. Yes, sir. Thank you for the question. The provision in the farm bill, one of the ways that we found that we could very quickly implement that is that we already have relationships with a lot of states through what are called State Law Enforcement Bureaus. And we call them SLEBs because we love acronyms, but also because it is much shorter. Those SLEB agreements, we looked at those to see how we could enhance those agreements to make them more useful, more effective, and use them to take on these pilot ideas, because we already have them in place. We added some aspects about the SLEBs actually working with us and helping us on

the recipient fraud side. That was really important because if you will remember, the provision said they had to be doing a good job on recipient fraud, and that is not something that is real common across the country. This really helped us to put that in to get the SLEBs working with us on the recipient and the retailer side, and also provides for giving them a reporting mechanism so that we could see how we are doing.

So that is how we have implemented it. We have SLEBs in New York and California, and Texas, a few other large places where that urban environment that you were looking for us to include, we have that in there as well. So that is how we are implementing it.

On the funding for states on recipient fraud, we have put out about $10 million in grants to states, competitive grants to states, to improve their recipient integrity.

Mr. LUCAS. Is it fair to say that you see value in the authority that has been given to states to investigate retail fraud, and would it be a good idea to increase even more their authority to pursue that avenue?

Ms. SHAHIN. The jury is probably still out a little bit. We need a little bit more time working with states. I think that the key here is really, Mr. Lucas, it is two sides of a coin, and if we are doing all this work on the retailer side and we aren't taking care of the recipient side, we are not going to stop the fraud and trafficking. You have to hit both sides of this coin. And so we would really like to see states putting their efforts—I know it is hard. I know it is hard on the recipient trafficking side, but we are working with some to get some tools out there for them. The GAO audit gave us a lot of opportunity. We are improving our reporting mechanism that way too. I would like to see us make a little bit more headway first in that area.

Mr. LUCAS. Thank you. Auditor Yost, let's talk for just a moment. Your comments about Ohioans using their benefits in Texas and Florida, and places like that, those are the kind of stories that stir up the public back home and make it more difficult to provide the assistance to our fellow citizens. Expand, if you would, about the nature of that. And I assume you would agree that is an alarming thing from your earlier comments.

Mr. YOST. There may be individual hard luck fact patterns that would justify it.

Mr. LUCAS. We all go to funerals. Yes.

Mr. YOST. But, the numbers we are seeing raise questions about the integrity of the administration of the program. Obviously, if you are living in Florida, you shouldn't be getting your EBT card out of Ohio. We saw almost $600,000 of Ohio benefits being spent in tiny Marshall, Minnesota. Fewer than 14,000 people. That number, as a former prosecutor, just makes me go, "Huh."

Mr. LUCAS. My time has expired, Mr. Chairman. I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Scott, 5 minutes.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Chairman.

It might be good for us to understand the purpose of these hearings, and the purpose of these hearings is to see if cutting the food stamp program is the answer to the issues of fraud and the error rates.

Now, my concern is this, that when we come to whatever conclusions we come to, that we cannot determine how we fix this problem with just an attitude of we have to cut the food stamp program. Everything that I have heard has indicated that, whether it be the error rates, the overpayment rates, those are internal, structural, administrative issues. When it comes to the other area of fraud, that is on the outside. That is an enforcement issue.

And so if we back away from this and look at it for what it is, the answer to fraud, the answer to the error rates are all management of our resources, to be able to correct those, not on wholesale attitude because somebody talks about 1,000 people from the dead. Well, that is neither the dead folks' fault or whoever is benefitting. If you know that that is the case, then you structurally change that.

Because here is my concern, if we just make our manifestation as the answer to this problem is totally on cutting the food stamp program, we miss the whole issue. Ninety percent of all the households that get food stamps have children, have seniors, have disabled, and a growing number of veterans. When you start dealing with finding solutions to these problems, the panacea for that is not cutting the program, it is putting the resources where they are needed to correct it, to enforce against these abuses.

And so I wanted to ask you all on the panel, don't you agree that what I am saying is the best approach for this, going forward, and that is particularly because if 90 percent of these folks have people in that household who have no other means. We have 1.7 million veterans receiving food stamp benefits. Somebody somewhere ought to say why is that. Isn't this a structural problem? And that is growing.

I just want to really use my little time here to stress how we really go at this, because there are some issues here in fraud, but cutting the food stamp program is not the answer to that. It is putting the resources in place to enforce that situation and get these people who are doing that. If we have the error rate and the overpayment, that is within the USDA. Perhaps they don't have the resources, the manpower to effectively correct the situation.

Where am I going wrong on this, any one of you, and where am I going right?

Ms. SHAHIN. If it is okay with you, Mr. Scott, I will start.

I think that the key point that you are making there that identifying the problem is step one. Step two is fixing it.

Mr. DAVID SCOTT of Georgia. Yes.

Ms. SHAHIN. And that is the key, and that is what we need to look towards in any of these. A payment error rate, it may be low but that doesn't mean it is low enough. We should always be looking to do better. We should always be looking to improve. I honestly believe that the states believe this and want this as much as I do. I believe that they care in this program. Partnering with our states to make sure that when we identify problems, we get those fixed. That is critical. That is on the improper payment side of it.

Mr. DAVID SCOTT of Georgia. Well, let me ask you this. I only have 15 seconds, because the

Ms. SHAHIN. Yes, sir. Okay, sorry.

Mr. DAVID SCOTT of Georgia.—the purpose of this hearing is reauthorization of the food stamp is coming up, and one of the reasons we are having all these hearings on food stamps is to determine whether or not cuts in the program or across the board, without understanding the intricacies of what you all have explained, is the reason. Do you think cutting the program just arbitrarily will fix any of these things, or a better allocation of resources?

Ms. SHAHIN. I think that SNAP is a program that works and works well. I think that the various hearings you have had, you have heard a lot of support for a program that does work, that meets its goals. That doesn't mean it can't be better. That doesn't mean there aren't things we can do to make it better.

Mr. DAVID SCOTT of Georgia. Right.

Ms. SHAHIN. We should always be striving for that.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Mr. Gibbs, 5 minutes.

Mr. GIBBS. Thank you, Mr. Chairman.

Mr. Yost, thank you for doing this work on the audit. We have seen in Ohio news reports about the excessive card balances. Seems like over a certain period of time the balances might make sense, it is commonsense things. Unusual card activity. You talk about 1 hour transactions, people spending $1,000 in less than an hour, or the unusual card activity where you have even balances and the same balances after every month, on the same time, same date of following months. In your audit, were you able to determine if there were any triggers, does USDA have any triggers or mechanisms that red flag these so that there is oversight to bring this back, or did your audit look at that or not?

Mr. YOST. Thank you, Representative Gibbs. The key, I believe, is on the retail side. I have run a lot of investigations in my time as a county prosecutor, and I have done both recipient fraud cases, which are very, very difficult to prove, and we never really get repayment because these folks are typically in need to begin with. Fraud doesn't work unless it is monetized, and that requires the retailer. The bang for your buck is to organize this around data mining to find exactly the kinds of indicia that you just cited in your question, and to use those indicators to open high quality, targeted investigations on the folks that are providing the dollars for this type——

Mr. GIBBS. Let me go to USDA, Ms. Shahin. Does USDA have any protocols in place that red-flags when they see unusual activity, or that a reasonable person could say, "Hey, this doesn't make sense?"

Ms. SHAHIN. Yes.

Mr. GIBBS. What is the process?

Ms. SHAHIN. Yes, sir. I am so excited you asked this question because we definitely do. We actually have what we call our alert system, and it is looking at eight million transactions around the country every day, and it is making connections and looking and doing these data analytic things. And so we have a watch list, we have the ALERT system that gives us information, and then we have people who then look at that information. We can actually make cases for trafficking just by the data alone. If we can't do it

that way, we will send investigators out as well and go undercover. But we can even do it from the data.

Mr. GIBBS. Do your investigators go out to the retail stores where you see this happening and audit their records and investigate them when it is flagged?

Ms. SHAHIN. They go undercover is what they do. It is not really an audit of their paperwork, it is an undercover to try and see if they can get them—well, that sounds bad—but they go in to see, are you going to let me sell you my benefits, or let me buy something that I shouldn't be able to buy, because I can only buy food with this card, but if you let me buy something else we have a problem. So they do those kind of things. But the thing that I wanted to mention that is very exciting and helpful, maybe for Mr. Yost, is that we give states our list of disqualified retailers so that they can go in and look at those stores and see who of their recipients shopped there, and then look at those and see, "Okay, do I see any transactions here that look weird." The kind of information that Mr. Yost has in his report is exactly the kind of stuff we are looking for states to do, to use their EBT vender to get reports and get the kind of activity and bring these things together.

Mr. GIBBS. Okay, my time is going to run out. I want to——

Ms. SHAHIN. I am sorry, I am excited.

Mr. GIBBS. That I all right. Is there cross-referencing between states of participants to make sure that we don't have people in Ohio that are also receiving benefits in Illinois, are we doing cross-referencing checks with the technology?

Ms. SHAHIN. Right. Now then, I don't know if you want me to talk about out-of-state transactions, or if you want me to talk about duplicate participation.

Mr. GIBBS. I want to make sure that——

Ms. SHAHIN. But the duplicate——

Mr. GIBBS.—if one is not signed up for food stamps help in Ohio——

Ms. SHAHIN. Yes.

Mr. GIBBS.—but then somehow I have an Illinois address of a relative in Chicago, I can sign up so I can draw down, illegally, of course.

Ms. SHAHIN. Commit fraud is what you are you talking about. Absolutely. What we ask on the high balances or the out-of-state transactions, or any of that, we ask states to take a look at those on a regular basis. Ohio actually has a pretty good system in place.

Mr. GIBBS. But is there cross-referencing between states?

Ms. SHAHIN. Yes. Now, the cross-reference between states, we actually just finished a pilot of five southeastern states, it is called the National Accuracy Clearinghouse. And that actually looked at doing checks for duplicate participation among the states. And we have had very promising results from that. In fact, we sent a report to Congress in May, and we are looking at what our next steps are going to be on that because it is real-time data. Mr. Yost mentioned Public Assistance Reporting Information System, PARIS. That is not real-time data, so this is a real-time data kind of thing, and depending on if the states are using it and putting the information in, it can be very, very effective.

Mr. GIBBS. Thank you, Mr. Chairman. My time has expired.

The CHAIRMAN. The gentleman's time has expired.

Mr. Walz, 5 minutes.

Mr. WALZ. Thank you, Mr. Chairman. And thank you to all the witnesses for being here. In the spirit of trying to find a balance between compassion, smart economic policy, and being good stewards of taxpayer dollars, that is our responsibility, because Mr. Yost, you are correct that if a dollar is lost to either fraud or error, that is a dollar not going to its intended purpose, and it is critical to try and balance some of these things.

Ms. Shahin, if I could ask, it is my understanding after the OIG report you are taking 50 states and all the territories, you are doing a quality control measurement process by the end of the year, is that correct?

Ms. SHAHIN. That is correct. That is correct.

Mr. WALZ. Has that been done before?

Ms. SHAHIN. It hasn't. No, this is the first time that we have dug quite as deep as we are with the——

Mr. WALZ. What are you going to be looking at? Just if you can give me the 50,000′ view on that.

Ms. SHAHIN. Sure. Sure. We are looking doing a QC review, can I give a little bit of history first?

Mr. WALZ. Sure.

Ms. SHAHIN. We don't have much time. Anyway, states do a sample of their cases. They pull that sample and then the QC reviewer is going to look at that case in that sample month and see if the benefit that they are receiving in that month is correct. They are going to have to look at the original month as well, so there is a lot of work that has to go into that. We do a Federal re-review as well.

We started seeing some things that were happening that gave us pause. Then OIG did their audit and that gave us more pause. We started going in to look at states to see if they were complying with some of our rules, and the concern was the introduction of any kind of bias. Now, bias doesn't have to be intentional. It could be totally unintentional. That is not the point. It is a bias that is introduced that we are going to have to adjust for. These reviews, we are going in to dig really deep and make sure that there is all the documentation in the file that should be, and if there is not, ask the state to do a corrective action that makes sure that we are getting all of the documentation, that the use of things like error review committees, that they are done properly as after-the-fact, as a learning mechanism, not a before-the-fact, as a mitigation of the errors. All kinds of things.

Mr. WALZ. And it is your belief that this QC review and these type of procedures will help the states and help you reduce those error rates and those fraud rates even further?

Ms. SHAHIN. I absolutely do believe that what we are doing right now will get us to the right place in determining what our improper payment rate is.

Mr. WALZ. Does this have a——

Ms. SHAHIN. Absolutely.

Mr. WALZ. Does reducing this fraud have the same quality as many things? If you are attacking a problem, the first part of it, even the first 90 percent, seems to be easier, and then you get to

the last bit it gets harder and harder as you get smaller. And we should strive for zero. I think that is the goal we should all have.

My question is, are the fraud or the errors that are taking place, now that it is a relatively small number, we are talking 97 percent correct, three percent roughly in there, does it get much harder to get after that three percent, or is it the same type of activity that was done before that we are just better at catching it?

Ms. SHAHIN. I think that, first off, I would really want to emphasize that we are talking improper payments. So this really isn't fraud. There may be a small——

Mr. WALZ. That is right.

Ms. SHAHIN.—but this is really that they are giving people the right amount. I do think that the lower it gets, the harder it is to hone in on what we can do to make it better. That doesn't mean that we don't do that. I would say that also states have done an extraordinary job over the last 10 or 20 years, actually, in doing a lot of things to bring that error rate down. Things like technology, using technology, doing business process improvements, the simplified policies that Congress has made available to them has been very important because that also——

Mr. WALZ. That brings me to this point. Mr. Yost brought up something, and I do think people are kind of baffled by this and I do think it makes them a little skeptical. The payments after death, or whatever, is it a requirement to run those data matches like they did?

Ms. SHAHIN. Thank you. Actually, yes, they have to run them a minimum of once per year.

Mr. WALZ. Could Ohio run them more if they wanted to?

Ms. SHAHIN. They certainly could. Absolutely. You can run it as often as you want.

Mr. WALZ. Mr. Yost, what would preclude you from running that, say, quarterly? You would catch it sooner then.

Mr. YOST. Actually, in the State of Ohio it does get run more frequently. Those are referred to the counties and they simply don't have the resources to follow up with them.

Mr. WALZ. Yes. And my last question, just because you brought up a good point, and I heard you say a community in Minnesota, and your numbers were pretty staggering that that would hit that. That seems to me to be one of those situations. Has somebody gone out there and see who is physically there and what is actually happening in that, because it must be one retailer at one place? I don't want to jump to conclusions, and I am glad my colleague said that. People travel out-of-state for family emergencies, they travel, just because you are hungry doesn't mean you don't go to a funeral, or you don't go somewhere to see a relative. But when a number like that comes up, that suspends all belief. Do you get to go out there? If I could just ask on that. Did somebody——

Mr. YOST. We did not.

Mr. WALZ. Okay.

Mr. YOST. We did not.

Mr. WALZ. All right. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Mr. Davis, 5 minutes.

Mr. DAVIS. Thank you, Mr. Chairman. And thank you to the witnesses.

Ms. Brown, if I could start with you. Is USDA doing enough to address actually even more recipient fraud? I know this has been brought up. Can you give us your take on some of the solutions that you think USDA can implement, or solutions you think we might be able to implement?

Ms. BROWN. Well, it is interesting, I was trying to think back, when I started doing this work in 2006, the main focus was on retailer fraud, and we started to pester USDA to do a little bit more on recipient fraud. And starting in about 2011 they really did begin to step up and take some action, because what we saw was you can address it at the retailer level, but we really felt like there needed to be a focus on the recipient level as well.

We have seen them make some very good progress in this area, and our recommendations to them have been on ways that they can continue to improve their focus on recipient fraud, and a lot of that is the kinds of things that they did in Ohio where they are looking at data analytics, and trying to link different clues together to help them identify fraud.

Mr. DAVIS. And which states, top three, do you think are doing the best job of identifying fraud?

Ms. BROWN. Well, we only looked at 11 when we looked at that, and each of them had strengths and weaknesses. I know that some states focus more of their resources on having more investigators to look at whether the information that applicants provide is accurate, but I am not sure that we have an answer on how effective that has been.

Mr. DAVIS. Okay. Mr. Yost, what changes do you recommend to Federal law to allow state auditors to conduct more thorough and meaningful reviews of SNAP spending?

Mr. YOST. There are three broad categories. The first is a series of just technical changes that are listed in our report. There are some useful improvements that could be made at the Federal structure as it exists. The second is to allow purchase-level data to the states. For example, the $1,500 in 1 hour purchase, over six transactions, we have no idea what they bought. There are some reasons why knowing what is purchased and where can help us to lead to those that are monetizing benefits.

Mr. DAVIS. Not to limit what they can purchase, just knowing what they did purchase. Right?

Mr. YOST. Yes, exactly. What they did purchase.

Mr. DAVIS. I mean it seems like it would be obvious, since we all have those rewards cards and we go to the grocery store, and they seem to print out the coupons of everything that I buy.

Mr. YOST. Yes.

Mr. DAVIS. The technology is already there.

Mr. YOST. The database is there, the information exists. I do not have access to it. Neither do my colleagues.

And finally, because of the difficulty in structuring these rules, block granting this to the state makes a great deal of sense because we will have a variety of innovations. When the Federal Government makes a mistake on making a very hard decision, and these are hard decisions, these are hard-luck stories, the iron law of un-

intended consequences means that everybody in the country suffers. If we allow the states to do it, when a state gets it wrong, only the people in that state are affected, and the innovations, the success stories are there with empirical proof for everybody else to pick up on.

Mr. DAVIS. I agree. Anything that you would also recommend we do at our level?

Mr. YOST. Thank you. I hope that you will find our report useful.

Mr. DAVIS. Well, thank you. I am sure we will. And I will yield back the balance of my time.

The CHAIRMAN. The gentleman yields back.

Ms. Fudge, 5 minutes.

Ms. FUDGE. Thank you very much, Mr. Chairman. And thank you all for being here today.

And forgive me if I sound somewhat concerned, I am, since this is our 16th SNAP hearing. I wonder if we do anything other than deal with SNAP in this Committee.

Mr. Yost, I am obviously from Ohio. Thank you especially for being here today. But let me just ask you. You mentioned in your testimony, as well as in your written testimony, you suggest there are hundreds of millions of dollars of possible fraud in our program in Ohio, but you really have no basis to say that. If you look at the fact that balances on a card are not fraudulent necessarily. If you look at the fact that, heaven forbid, somebody would travel to Florida, a poor person, certainly they should leave their neighborhoods. If you look at the fact that you have nothing to tie one thing to another, how do you make a suggestion that there is over $100 million in fraud in the State of Ohio? I am having problems figuring that one out.

Mr. YOST. What I said was millions, which would mean more than $2 million. I would not suggest that——

Ms. FUDGE. Okay, that is fine. So tell me how do you draw that conclusion?

Mr. YOST. And the basis for that is the multiplicity of structural weaknesses in the management of the program. We are spending $2½ billion. Now, I want to reiterate that that doesn't mean that there should be cuts to the program——

Ms. FUDGE. No, I didn't ask that question. Let me just ask this question.

Mr. YOST. Yes, ma'am.

Ms. FUDGE. How much actual fraud did you find?

Mr. YOST. We were not looking for actual fraud, ma'am. The purpose of the audit was to test the structure.

Ms. FUDGE. Why would you even make a statement about how much fraud you think there is if that wasn't the purpose of the audit?

Mr. YOST. Because I have been asked numerous times why do these structural matters, what do these structural weaknesses mean. I am trying to give it a sense of the order of magnitude.

Ms. FUDGE. What did it cost us to do the audit?

Mr. YOST. I don't recall the precise number, ma'am.

Ms. FUDGE. Well, from a report from the *Columbus Dispatch,* they indicate that there was actually about $31,000 in fraud found, and that the audit cost $48,000. I am just trying to get to the point

to figure out what it is you are trying to tell us, because I can't figure that out from what you wrote or what you said. At one point you are saying you weren't trying to find fraud, but that is basically all you have been talking about is fraud. I am still having a problem making the connection.

Let me just ask this question. Do you audit other Federal programs?

Mr. YOST. Yes, ma'am, under the Federal Single Audit Act, we do the Federal single audit for all Federal programs.

Ms. FUDGE. What have you found in other programs?

Mr. YOST. That is a very broad question. Can you help me understand what you are looking for?

Ms. FUDGE. This is a very broad statement. Have you found fraud in Medicare or Medicaid, and at what level?

Mr. YOST. Sure. We find misspending in a variety of programs. We issued a report last year about some in the Department of Education.

Ms. FUDGE. Are you concerned about those as much as you are concerned about this?

Mr. YOST. I am concerned about all of the misspending I find, ma'am.

Ms. FUDGE. What about crop insurance, what has your audit found about that?

Mr. YOST. I don't know that we have ever looked at crop insurance, and I don't know what the risks associated on it are.

[The information referred to is located on p. 916.]

Ms. FUDGE. Ohio is an agricultural state. It is a Federal program.

Mr. YOST. I am sure that it is. I don't know if we have looked at it.

Ms. FUDGE. I am truly not trying to give you a hard time, I am just trying to determine how you come to a conclusion that there is significant fraud in the State of Ohio without any basis upon which to make that conclusion.

Mr. YOST. I disagree that there is no basis, ma'am. Our examination——

Ms. FUDGE. Well, that was the first question I asked you, what are you basing it on?

Mr. YOST. And then you cut me off. I told you that the systems that we found, the weaknesses suggest that, the fact of the matter is nobody is looking at this stuff. When matches come back to the counties, they are under-resourced and unable to pursue it. The data mining happened before.

Ms. FUDGE. But again, you have no proof.

Mr. YOST. We actually put it together. And when you look at the money that is being spent on even-dollar transactions, $1,500 of groceries in 1 hour, ma'am. Really?

Ms. FUDGE. And what percentage of the——

Mr. YOST. If that doesn't sound like fraud——

Ms. FUDGE.—total is that? What percentage of the total is $1,500?

Mr. YOST. It is an example that is illustrated——

Ms. FUDGE. What what percentage is $1,500 of the total money spent on food stamps in the State of Ohio?

Mr. YOST. Once again, ma'am, that was not the focus of our program.

Ms. FUDGE. I am just asking a question. You raised the $1,500, I didn't.

Mr. YOST. As an example to explain what my basis is. If you look at the even-dollar transactions slide from our program——

Ms. FUDGE. Mr. Yost, I am asking the questions.

Mr. YOST. Well, I am trying to answer it, ma'am.

Ms. FUDGE. No, I just asked you what percentage, if you don't know, just say that and that is fine.

Mr. YOST. Yes, it is infinitesimal.

Ms. FUDGE. Okay. I yield back, Mr. Chairman.

The CHAIRMAN. The gentlelady's time has expired.

Mr. Abraham, 5 minutes.

Mr. ABRAHAM. Thank you, Mr. Chairman. And I thank the witnesses for being here.

Ms. Shahin, I will start with you first. Ninety-seven percent success rate, three percent error rate, which sounds good but in reality when we are dealing with the kind of money you guys are, that is $2.6 billion, if my math is right, you could give $1,000 to everybody over 18 in this United States. So it is a big deal. And to the previous $1,500 is important to me, and I am sure it is to most people, but it is a big deal.

My point is, if a surgeon in a hospital has a three percent error rate, if a bank under Dodd-Frank has a three percent error rate, they are penalized severely. I understand that 97 sounds good, but in the overall scheme when we are talking billions of dollars, three percent matters. It really does.

Again, if Mr. Yost in Ohio, the USDA, they are not on time, is that what you said, Ms. Brown, about not releasing a 2015 error report?

Ms. BROWN. Correct.

Mr. ABRAHAM. All right. I guess the question is, if Mr. Yost can do this in Ohio, we have great data, why can't other states do it and give this data to you guys to give us a 2015 error rate?

Ms. SHAHIN. Sure. Thank you for the question. It might be a little bit longer answer than you were hoping for, but——

Mr. ABRAHAM. Well, just give me the short one.

Ms. SHAHIN. Keep it short, okay. What Mr. Yost looked at is the back-end, and what the improper payments and the error rate are about is the front end. It is the certification process. So when we——

Mr. ABRAHAM. We don't have the computer technology to do that now, is that what you are telling me?

Ms. SHAHIN. No, it is not that there isn't technology that supports that, there absolutely is, but what I am saying is that once we realized that we might have a problem with bias because of certain rules not being followed, it is really not a matter of just looking at a computer, it is a matter of needing to go into the states and actually looking at those case files and seeing what happened. It is very investigative, very research-focused. And we will have all 50 states and the three territories done and an error rate announced by December.

Mr. ABRAHAM. When was it supposed to be due?

Ms. SHAHIN. June 30 is when we would normally do it.
Mr. ABRAHAM. It is about 6 months behind.
Ms. SHAHIN. It is.
Mr. ABRAHAM. Right. And I don't mean to cut you off.
Ms. SHAHIN. And I appreciate——
Mr. ABRAHAM. Okay, let me go to another question.
Ms. SHAHIN. Okay.
Mr. ABRAHAM. Did you say that there is now a higher percentage of working people receiving SNAP?
Ms. SHAHIN. Yes, sir. Absolutely. About 42 percent of our participants live in households with earnings. They are working but they are not working enough.
Mr. ABRAHAM. Right, and again, that just goes back to my statement——
Ms. SHAHIN. Okay.
Mr. ABRAHAM. Mr. Scott said, unfortunately, we have 1.7 million veterans that are now receiving SNAP.
Ms. SHAHIN. Absolutely.
Mr. ABRAHAM. It is a structural problem, but not with the USDA, it is a structural problem with our economy, just not providing jobs for these poor folks that are trying to make ends meet. We will do that.
Ms. SHAHIN. Well, we are working on that too, Mr. Abraham, and we would love to come and talk to you about it.
Mr. ABRAHAM. Well, we would love to get people the jobs they want, and the jobs that provide a living wage instead of a minimum wage.
Ms. SHAHIN. Exactly. Yes, sir.
Mr. ABRAHAM. Mr. Chairman, that is all the questions. I yield back.
The CHAIRMAN. The gentleman yields back.
Mr. McGovern, 5 minutes.
Mr. MCGOVERN. Thank you, Mr. Chairman. And thank you all for being here.
I agree with Mr. Abraham in the sense that we need to do everything we can to get our economy moving so we can get people the jobs that pay a livable wage. But what we shouldn't do in this Committee is make it more difficult for them, and especially our veterans, during a time when the economy is still in recovery. We have a lot of people up here talking about removing the waiver for our able-bodied adults without dependents. That would take away that waiver from Governors, to be able to help some of these people who can't find a job or who can't get in a job training program, and a lot of veterans will lose their food benefit as a result of it. And if anybody can give me a reason or rationale how making somebody hungry will help them get a job more quickly, I am all ears.
Mr. Yost, I have been trying to figure out what this hearing is all about, but then you mentioned a phrase that sent alarm bells off in my mind, basically saying that we should *block grant* the SNAP Program. And I worry about that because this is a good program. There are 48 million people in this country who struggle with food insecurity and hunger, and I want to make sure that those people get the benefits that they are entitled to. And we have a system right now where FNS and OIG and GAO and Congress

can do oversight to make sure that states are, in fact, taking this benefit for food and getting it to the people in need. You turn it over to states and I don't know what the oversight is going to be, or what the guarantee is that people will actually spend that money to help struggling families, and to help people who are hungry. This notion of block granting this program is a really bad idea. We have a lot of people that are hungry, quite frankly, who are eligible for this benefit and who don't get the benefit.

And I just have a couple of questions. Ms. Shahin, do you have all the tools and resources you need to identify suspicious behavior and remove bad actors from the program? I mean are there additional things that we can do here to help you get at these bad actors?

Ms. SHAHIN. Well, does a Federal agency ever say no to additional resources?

The CHAIRMAN. I need your microphone on, ma'am.

Ms. SHAHIN. Sorry. I don't think I am supposed to talk that way. Let me just talk a little bit about the fact that a lot of what we have done, a lot of support that we have gotten from Congress already really has helped us to improve our automated systems, like that ALERT system that I was talking about. You have given us resources, we have centralized our retailer management system, and so we now are in one place that lets us target our resources, and you have supported that through funding as well. We appreciate that. You have given us dollars for states and things like that. I think that we need to continue our efforts.

We have seen some really good results, we have seen improvement, and we need to keep on that path.

Mr. MCGOVERN. Right. So, Ms. Shahin, Mr. Yost raised the issue that households sometimes shop at stores outside of Ohio.

Ms. SHAHIN. Yes.

Mr. MCGOVERN. That is allowed, right? Is that allowed?

Ms. SHAHIN. Actually, nationwide, and Ohio is right in with the nationwide average, out-of-state transactions are about three percent of the SNAP purchases.

Mr. MCGOVERN. Right, but it is allowed, right? It seems to me that it would be important, since people sometimes, as Mr. Walz said, sometimes travel out-of-state. I think he mentioned Marshall, Minnesota. I just got to do a quick Google search, and Marshall, Minnesota, is the home of Tyson's meat packing and meat processing. I mean lots of hourly jobs there. I am not saying this is the answer to everything, but it is also possible that people, in order to comply with all the rules and regulations that we have put forward, travel outside of state, work at temporary jobs, work at jobs that are only a few weeks in length, and use their benefit there. Is that correct?

Ms. SHAHIN. That is very correct. There are all sorts of reasons why benefits would be used in a different state. Border states, it is very common. Working or just shopping at the best-price supermarket or the closest supermarket could be in the state because you live close by, in that sense. But also, it is important to remember that when we had coupons, they could be used across states, and with EBT they have to be interoperable.

Mr. MCGOVERN. Right.

Ms. SHAHIN. The key is you have the audit trail and if you find things that are suspicious you can look at them.

Mr. MCGOVERN. Right. It is important that people be able to have some flexibility with their EBT card. I just point out that, going back to what Ms. Fudge said, that is why the follow-up is important.

Ms. SHAHIN. Yes.

Mr. MCGOVERN. Yes, there may be examples where there are examples of fraud, but there also may be examples where people are using these benefits outside of the state because they are working outside of the state. And that is an important thing to remember.

Ms. SHAHIN. Sure.

Mr. MCGOVERN. I thank you all for being here.

The CHAIRMAN. The gentleman's time has expired.

Mr. Newhouse, 5 minutes.

Mr. NEWHOUSE. Thank you very much, Mr. Chairman. And I want to thank all of you for being here and contributing to this discussion, Mr. Yost, Ms. Brown, and Ms. Shahin. I especially want to thank you for your enthusiasm that you exude on this topic. I can tell that this means a lot to you, and I appreciate your hard work on this.

I would agree with Mr. McGovern, looking for ways that we as Congress can help in this whole issue, because the biggest travesty would be that people who are actually in need of food are literally having food taken out of their mouths because someone else is gaming the system. And so that is something that we should definitely be concerned with.

In my home state, I am from the State of Washington, I can proudly say that we have a model SNAP Workforce and Training Program that really does exceptional work in helping beneficiaries find employment. And given how SNAP allows states this kind of flexibility to implement certain aspects of their programs, are there any states that have a noticeably lower error or fraud rate? If so, do we have a sense of how we can achieve that in looking to other states for models?

Ms. SHAHIN. Sure. Absolutely. Actually, one of the things that we do, we have funding that we call state exchange funding, and we use those funds for taking states to places where really good administration is happening. Error rates are low or an employment and training program is really good, any kind of thing like that we really want states to share with each other, and we have funds that allows for that kind of thing. So that is one important part of it.

The states get together, actually, on a regular basis. They have a trade association that brings them together once a year where they share with each other. It is called NAPIPM, and please don't ask me what that stands for.

Mr. NEWHOUSE. Say it again.

Ms. SHAHIN. NAPIPM. That is the group, and it is all about payment accuracy though. They get together and they share a lot of best practices. We also have keys to a low error rate and provide best practices on what we call our Partner Web, where states have access to share and consider those kinds of things.

A lot of different things can go into a lower error rate. We like to share those things that are successful.

Mr. NEWHOUSE. Yes, thank you very much. I appreciate that. Could you also help me understand what happens when a SNAP payment error or fraud is discovered, either by the state or by FNS? Are funds somehow recouped or are underpayments made, or exactly how does corrective action happen?

Ms. SHAHIN. Thank you. Yes, that is an important thing. Every error, even the ones that are under the threshold, must be reconciled. If an overpayment occurred, then the state must go to the client and recoup those funds. It doesn't matter if it was the state's fault or the state's mistake that caused the error, it still has to be recouped. If they get too little, they have to also make that adjustment and give a supplemental payment to the household to make it right.

Mr. NEWHOUSE. The state does.

Ms. SHAHIN. The state has to do that. It is Federal funds still. It is still our Federal dollars that go to the benefits. Yes.

Mr. NEWHOUSE. And one last question, Ms. Brown, states have the authority to waive asset tests for beneficiaries in their states. Help me understand this, when that data is not collected, it can remove a tool to identify instances when errors can and do occur. Do we typically see a reduction in recorded error rates when asset tests are performed *versus* when they are not?

Ms. BROWN. Well, asset tests can be a source of error. Anything that requires a caseworker to go through and check on things and manipulate the numbers can be a source of error. But when asset tests are removed, then that takes away that extra responsibility and the extra checking, and can actually lower the error rate.

Mr. NEWHOUSE. It can lower the error rate of the benefits payments?

Ms. BROWN. It can lower the state's error rate if they have large numbers of program recipients where the caseworkers are not checking their assets. When they check an asset, they go to a bank, they ask for the amount of savings that people have, and it is a number of extra steps. And so if they don't check that at all, which is what happens in many states in BBCE, then that is just one whole lump of potential errors that is off the table, which is why the error rate in a state can go down.

Mr. NEWHOUSE. Well, I can see my time has expired, but I would like to further understand that and so maybe we can, after the hearing talk about that.

Ms. BROWN. Sure. Broad-based categorical eligibility is one of the most complicated issues that we are trying to figure out.

Mr. NEWHOUSE. Right. Okay. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Mr. NEWHOUSE. Thank you.

The CHAIRMAN. Ms. Adams, for 5 minutes.

Ms. ADAMS. Thank you, Mr. Chairman. And thank you to all the witnesses for your testimony.

SNAP is a very important program for the 12th District in North Carolina that I represent. Mecklenburg County, for example, has 154,000 individuals participating in the program, more than any other county in our state. SNAP benefits are already inadequate to

help a needy family put food on the table through the end of the month. Complex application requirements may reduce the number of individuals that receive SNAP benefits, but they also increase the rate of administrative errors at the state and county levels. Streamlining application and recertification requirements will reduce errors within the SNAP program, and more importantly, it will help more people in need be able to purchase food through the program.

Ms. Brown, I recently introduced the Closing the Meal Gap Act of 2016 to strengthen the SNAP program, and to authorize benefits at a level that will actually help people put food on the table through the end of the month. And one of the provisions in the bill is to permanently authorize a standard medical expense deduction for seniors and disabled individuals that apply for SNAP benefits. A standard medical deduction, for example, would allow seniors to submit only $35 in out-of-pocket medical expenses in order to claim this deduction when applying for SNAP benefits. It is estimated that if a standard medical deduction was permanently authorized for all states, that seniors claiming the deduction would see an increase of $7 to $69 in monthly SNAP benefits.

How would establishing a standard medical deduction in every state reduce errors in processing SNAP benefits for seniors?

Ms. BROWN. We took a look at that particular waiver and we determined that that is the kind of thing that would both make it easier for the participant, and have them not have to collect quite so much information when they were applying, and also make it easier for the caseworker, because they would have less calculations that they would have to do. Those two things combined would likely decrease the errors associated with that kind of application.

Ms. ADAMS. Thank you. As a follow-up, state options are something that we have spent a lot of time discussing in this Committee. In your work with states, do you feel they would largely agree that options like simplified reporting, for example, should be mandatory?

Ms. BROWN. Well, simplified reporting is one of the biggest factors that states cite as a likely way to reduce error rates. I can't speak to whether states would want things to be mandatory or not, that probably varies from state to state, but it is one of the options that can reduce error rates. When you think about the fact that this program has gone from 26 million people in 2007, to 48 million in 2013, I am sure that caseworkers would say anything that could be done to decrease their workload and make it a little bit easier would be appreciated.

Ms. ADAMS. Yes. Thank you. For our state, and my district in particular, where we have high unemployment rates, and, as has been mentioned here, people don't make enough money. I mean they are working two and three jobs, minimum wage and even less, and that also adds to the problem.

Finally, Ms. Shahin, let me ask you, if you would clarify the Federal rules for dealing with SNAP accounts that go unspent.

Ms. SHAHIN. So——

The CHAIRMAN. Microphone.

Ms. SHAHIN. Sorry. I believe it was the 2008 Farm Bill, if I remember correctly, set the rules around—it is called expungement.

If a household's account is not touched for 12 months, it is totally inactive, then those benefits are expunged. Now, there is an option that states have, we don't have many states that take it but it is available to them, they can, at 6 months, take the account offline. The account continues to accrue its benefits, but it is not available because it has been taken offline. And so if the household is looking to have those funds, they try to use the card and they can't, they will call the worker and those funds can be put back into active status.

Ms. ADAMS. All right, thank you, Ms. Shahin. I really wonder why eligible people might not spend the money when they need the food.

But I yield back, Mr. Chairman.

The CHAIRMAN. The gentlelady yields back.

Mr. Benishek, 5 minutes.

Mr. BENISHEK. Thank you, Mr. Chairman.

Mr. Yost, I have some questions for you about this data that you have presented. And it seems to me that there is suspicion for fraud over a lot of the things like the even-dollar, who investigates that? How is that done? Is that the Feds' problem or the state? This kind of issue that you brought up here, they seem all suspicious to me. I mean, the same transaction. What happens to this data that you audited, and did somebody act on this?

Mr. YOST. And my colleagues here may wish to add to this answer. The traditional division of labor is that the Federal Government goes after the retailers, and the state government is assigned to go after the recipient level. With all respect, and as a former prosecutor, going after recipients is a lot like trying to solve drug trafficking by locking up the guy that uses heroin, and has one hit and putting him in prison. We have seen across the country that just isn't a very effective way to approach it.

That being said, at the state level when something gets referred back it always ends up down at the county level. Some counties have some resources to deal with that. Most of them don't.

Mr. BENISHEK. So it is like it is up to the state prosecutor. So then like when the——

Mr. YOST. At the recipient level.

Mr. BENISHEK. Who finds this data? You found this data and then what do you do with it? You have to refer it to the state prosecutor then to investigate it, and then he refers it to the county prosecutor?

Mr. YOST. In Ohio, the county prosecutor is the only state prosecutor. But this transaction that is up here, that report had never been run before we did it. No one had gone back to look at it. I don't know who the recipients are here, and I can't tell a county prosecutor who the recipients are. I think that there are some synergies that we could explore.

Mr. BENISHEK. Well, who would have to tell? Okay, all right——

Ms. SHAHIN. May I——

Mr. BENISHEK.—Ms. Shahin, you are excited here——

Ms. SHAHIN. Thank you.

Mr. BENISHEK.—go ahead.

Ms. SHAHIN. Thank you. I am because, actually, remember I talked about that ALERT system that looks at the data? We don't

talk about what we look at because then the retailer will know what we are looking at and they will change it, so we kind of try and keep it a little bit of a secret. But all of the things that Mr. Yost is talking about are all things that are available through a state's EBT vendor or through our system. So there is an opportunity for synergy here.

Mr. BENISHEK. Then what do you do about it?

That is what I want to know, what do you do about it?

Ms. SHAHIN. Sure. What we do when we find suspect retailers, we had 1,900 retailers last year that we disqualified for trafficking. Out of business. They will never be a SNAP retailer again.

Mr. BENISHEK. Yes, was an individual prosecuted in that? Because you can always like change from ABC News Mart to——

Ms. SHAHIN. No, sir, we—these——

Mr. BENISHEK.—CBS New Mart. You know what I mean? I mean that seems to be a simple thing to do.

Ms. SHAHIN. That is a very good question. A very good question. First off, we can do most of ours through an administrative process. So that works out fairly quickly. We can get them disqualified administratively. They have an appeal process, but we can do that. And so we share that data then with the state, for them to look at the people who shop there. Now, to the point of you are going to move down the way, that is one of the things that we have improved, when I was talking about some of the improvements we have been making. We really need to make sure that the guy that was disqualified can't come back some other kind of sneaky way. We have put some processes and procedures in place to make sure that that doesn't happen, because that is really important, you are right. I move across the way and I just buy a different store. No. If you have been permanently disqualified——

Mr. BENISHEK. But nobody is actually prosecuted for this kind of thing, it doesn't sound like.

Ms. SHAHIN. Well, no, when OIG actually takes it on as a criminal case, that does go to court. That is the thing like what you were talking about Mr. Chairman.

Mr. BENISHEK. Well, how many times a year does that happen?

Ms. SHAHIN. I am sorry?

Mr. BENISHEK. How many times a year does that happen where somebody actually goes to court? Yes.

Ms. SHAHIN. Okay, now are we talking about the recipients?

Mr. BENISHEK. No, I am talking about these retailers.

Ms. SHAHIN. Okay. Okay. For the retailers. I don't have that information because that is through OIG, but I can get it for you. Could we get back to you on that, on how many that do——

Mr. BENISHEK. Well, yes, I guess.

[The information referred to is located on p. 916.]

Ms. SHAHIN. Sure.

Mr. BENISHEK. It doesn't seem to me that it is that much of a penalty if you just get cut off. You just get a new corporate name and you start doing business again.

Ms. SHAHIN. But you can't do that. We are going to catch you. They have to give us all the information about who is in any way connected to this business. So even if they try to——

Mr. BENISHEK. Well, it is easy to get around that.

Ms. SHAHIN. We do a lot of checks, and we require a lot of documentation.

Mr. BENISHEK. All right, thank you.

My time is up.

Ms. SHAHIN. Can I just speak for 1 second?

The CHAIRMAN. Yes, ma'am.

Ms. SHAHIN. There was the question about states that do a really good job on the recipient fraud side——

The CHAIRMAN. Yes, ma'am. Very quickly.

Ms. SHAHIN.—and I couldn't answer. I do have an answer for that, and there is one, and, Mr. Chairman, it is your state. And if you haven't noticed, it is my state too.

The CHAIRMAN. I got you.

Ms. SHAHIN. They do a good job on the front-end with data broker work, and they do a great job on the other end with an in-house data analytics. They are one of our stars in that area.

The CHAIRMAN. Well, I appreciate the advertisement.

Mr. Ashford, 5 minutes.

Ms. SHAHIN. We will send Ohio there.

Mr. ASHFORD. Do you have any—I am sorry. Thank you, Mr. Chairman. This really is a key hearing. I am sorry I was late, I was at another hearing. I spent 16 years in Nebraska Legislature, and before that working with the county and state on many of these issues, so it is a massively difficult issue to put one's arm around.

I had a number of questions, most of them have been discussed. Let me just ask Mr. Yost. In Ohio, going after or pursuing fraud on the recipient level is very, very difficult, clearly. Hard to identify right away, and what do you do with it, tell me just a little bit more, maybe you have already answered this, but how does that sort of investigatory work interface with what Ms. Shahin has talked about, because I think that is what she is talking about? But, do you notify USDA, or the Inspector General, of a pattern of recipient fraud, or what do you do and how do you relate to that?

Mr. YOST. Again, our office is not primarily the investigative agency here, so I——

Mr. ASHFORD. Okay.

Is it the county or state?

Mr. YOST. There is an Ohio investigative group that has jurisdiction over this that is housed under the Governor's Administration.

Mr. ASHFORD. Okay. What is the magnitude in Ohio of this fraud on the recipient level? When does it rise to the level of sort of actionable——

Mr. YOST. Well, again, there can be an individual case that comes into attention either by a flag or by an alert caseworker, and that is referred at the county level to what would be the DA in most states.

Mr. ASHFORD. Okay. And so when the caseworker, and this gets a lot of—spent years working on—with this issue with the magnitude of the caseloads, and maybe I have a general question as to what everyone would suggest we do to try to alleviate some of that, because that is a massive problem in Nebraska, as it is everywhere, the caseloads are huge. It would take a caseworker to really take the initiative generally, correct?

Mr. YOST. Yes, and you have to prove intent to do a criminal conviction——

Mr. ASHFORD. It can't be just sort of a mistake kind of thing.

Mr. YOST. Which is why it is so much easier to use data mining and attack this at the retailer level where the monetization is actually happening.

Mr. ASHFORD. But the recipient level though is a pathway into discovering fraud on the—or the retailer level as well, I assume. I mean that is where some of this comes from, or no? Not really, or——

Mr. YOST. Well, it can be but, frankly, if we had in drug trafficking the kind of deep database that we have for the SNAP purchases, we would never do the monkey move-up, get the first level, get them to snitch on the next level and move up the food chain, we would go straight to the top of the food chain and use this data. That is the way it makes sense.

Mr. ASHFORD. Okay. Ms. Brown, thank you, can you——

Ms. BROWN. Yes, I was just going to mention that when we did our work where we looked at 11 states and what they were doing about fraud, we did hear that the investigators had very heavy caseloads, and we also heard that in instances where they found intentional violations, it was very difficult to get prosecutors to pick up those cases because they are small. But the other option to remember though is that they can be referred to a hearing in the office itself, and at least be administratively disqualified from receiving further benefits.

Mr. ASHFORD. And once it goes into that administrative process too, everybody is alerted, those who know about the case are alerted to how this happened and so forth and so on, that may or may not lead to other investigatory opportunities that would involve someone other than the recipient. It would involve the retailer, possibly.

Ms. BROWN. Yes, right.

Mr. ASHFORD. Yes. Ms. Shahin, do you have anything to add to that? It wasn't really a question.

Ms. SHAHIN. No, I think that what you are getting at though is something that I really appreciate, which is looking at how we can work together.

Mr. ASHFORD. Sort of, yes.

Ms. SHAHIN. It really is two sides of the coin. And I don't disagree with Mr. Yost that the states' job on the recipient is a tough one, but there are a lot of tools and a lot of things that we can work on, a lot of grants that we are doing, the data analytic model that we have developed, South Carolina has shown great new recent results. Last year they didn't disqualify any recipients. In the first 9 months of this year, they disqualified 185.

Mr. ASHFORD. Right.

Ms. SHAHIN. It lets them target those minimal resources by using a model that really makes sense for them.

Mr. ASHFORD. Thank you. I am over time. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. Mr. Allen, 5 minutes.

Mr. ALLEN. Thank you, Mr. Chairman. And thank you panel for giving us some real inside information on what is going on out there. Of course, we hear lots about this in our districts as well.

I was wondering, I have a couple, he is a disabled veteran and she is a homemaker, and has to take care of him, and they were on the program, and pretty much he has a specific diet he has to eat, and she is very nutrition-conscious. And their problem is that there was an enormous amount of availability to them that they didn't need, so they kind of wanted to give that to somebody else. How does that work, because when they talked to their, I guess whoever they reported to get this benefit, they basically said take it or leave it. In other words, you had to take this much and you could not say, "Okay, my neighbor needs more, and we have heard stories of folks who are going without," do you administer requests like that? And if there is no way to do that, how could you implement something like that?

Ms. SHAHIN. Wow, that is a pretty amazing story. And I guess I would just start with that the amount of benefit they receive is based on the rules and the regulations. You have this many people in your family, you have this much earned income, you have this much unearned income, you have these kinds of deductions and this is what you are eligible for. The state couldn't really say you are eligible for this, but since you don't want all of that we will give you less, because we would call that an error. They gave an under-amount. The challenge here is how do they take their compassion and their generosity and make that work for others, since they feel blessed themselves. I think that there are a variety of ways to do that. I would imagine through perhaps their church, their food bank, and other opportunities volunteering——

Mr. ALLEN. Well, and that is what they did, they got off the program and their church and I guess other organizations were able to fill that need. But you have heard about the cards and you can buy them for 50¢ on the dollar, I mean couldn't there be some kind of a requirement where whoever that card is issued to has some kind of identification to prove that that is exactly who they are? Because we know in some of these drug busts I have heard of these folks having multiple numbers of these EBT cards. What can we do on that as far as restraining that problem?

Ms. SHAHIN. Okay, I will take the second one first because we also hear the stories of drug busts, a whole pile of EBT cards. We would certainly hope that that state law enforcement, since we do have relationships with a lot of state law enforcement, but even if we don't, that somehow they get that information to the state SNAP agency so they can do investigations on those cards and see what may have happened, how did that happen, is this an indication of something that we need to investigate, do we need to refer it to our fraud unit those kinds of things.

Mr. ALLEN. Well, I mean it is obvious that they are trading their EBT card for drugs.

Ms. SHAHIN. It definitely raises the red flag, doesn't it?

Mr. ALLEN. Right.

Ms. SHAHIN. It absolutely does.

Mr. ALLEN. Yes.

Mr. Yost, you have any comment as far as your auditing and what kind of issues we got there, and how we can fix that ID problem?

Mr. YOST. One thing that would help some, wouldn't cure it, put the picture of the recipient on the card.

Mr. ALLEN. Yes. Yes, and is that too expensive to do, or is there a reason we are not doing that?

Ms. SHAHIN. It does cost more to have the photo on the EBT card than not.

Mr. ALLEN. Picture ID. But the ultimate saving——

Ms. SHAHIN. But it is a state option.

Mr. ALLEN. Yes. Yes.

Ms. SHAHIN. It is a state option.

Mr. ALLEN. Is it? Okay.

Ms. SHAHIN. If they want to do that, they can do that. That is a state option. One of those flexibilities.

Mr. ALLEN. Okay. I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Costa, 5 minutes.

Mr. COSTA. Thank you, Mr. Chairman. I am going to offer some observations, and I hope they are viewed in a constructive fashion. This is the 16th hearing that I believe we have held on the SNAP program. In California, we have, of course, the highest number of recipients, for a combination of reasons, and based on the data that has been collected by the Food and Nutrition Service, in my district we have more recipients under this program than perhaps any Congressional district in California. It is a district that has a lot of interesting social, economic breakdowns in terms of contrasts of a lot of poverty and a lot of wealth. And it seems to me the whole challenge here and the whole purpose of the SNAP program is to give people in America, the richest country in the world, the ability to have a helping hand, and how we have programs that really allow them, the overwhelming majority of them who are in assistance, whether it is through SNAP or Women, Infants, and Children program, sometimes it is a combination of both, to be able to become self-sufficient. And the overwhelming majority of them want to become self-sufficient. People fall on hard times for a lot of reasons, and we have a lot of challenges out there. Out of the 2+ million households that are receiving SNAP benefits in California, 50,000 of them are in my district.

And so I know the focus today is on error rates, and the sixteenth hearing that we have had, error rates by states and trying to focus on fraud, waste, and abuse. And I understand that we should never, ever tolerate any fraud, waste, or abuse of taxpayer dollars that are spent for good purposes and good intentions, but having looked at this both at the state level, when I was in the legislature, and now in Congress, one can take the position that maybe we shouldn't have the program. And I would disagree, but I can understand where some people may come to that conclusion. But the fraud, waste, and abuse in terms of error rate is among the lowest of a whole host of Federal programs that we provide support for. I would like to focus our efforts, I mean if there are some good ideas on how we can narrow that error factor in 1½ percent or so, I believe, on fraud, waste, and abuse, and if we can get

it even lower, that is good. But it seems to me the real focus ought to be able to give people an opportunity to get off the assistance. We have programs in my area like the Fresno Bridge Academy that has been very successful at doing that, and we want to expand it. The pilot projects in Washington State, and other places that I am aware of, we want to try to figure out how we can more effectively get people off the assistance. Certainly, we spend a lot of money on this.

And so what can we do to that end? And I don't know if any of the witnesses want to opine. I have used most of my time in making my observation.

Ms. SHAHIN. Do you all mind? Okay. I will take your——

Mr. COSTA. Forty seconds or less.

Ms. SHAHIN.—few minutes left, Mr. Costa. Thank you. We also have put a great deal of focus. I will admit to you that for a number of years we were not paying this much attention to the employment and training services that we have available to us. But a few years ago, we actually put our money where our mouth was. We have put resources to it, we have put resources not only in our national office but out in the regions. Now, why is that important? Because states really weren't necessarily used to how to do employment training as a part of the SNAP program. We have really beefed-up the technical assistance, we have a SNAP to Skills, it is very job-driven because that is one of the things we wanted to pay special attention to. What are the jobs, and train for those jobs. It is a really important way of looking at work services.

You are absolutely right, Fresno has one of our E&T pilots, and we are very excited about it. It is multigenerational, it is an approach that is very interesting to us, and testing that and taking a look at it and seeing if that is something that we can then take on as a best practice to other states. We are excited about that.

The CHAIRMAN. The gentleman's——

Ms. SHAHIN. Mr. Newhouse mentioned Washington State——

The CHAIRMAN. Ma'am, the gentleman's time has expired.

Mr. COSTA. Thank you, and we should expand it. Thank you, Mr. Chairman.

The CHAIRMAN. In order to get through this me need to keep moving.

Mr. Thompson, 5 minutes.

Mr. THOMPSON. Thank you, Chairman. Thanks to the members of the panel for being here, for being a part of the process, which has been a very thorough, comprehensive process of looking at an important program, making sure that we are doing it right, meeting people's needs, that we are minimizing errors and obviously fraud. And today we are focused on errors.

Now, one of the numbers when I first came in, and I apologize if this was already covered, but I had heard that one of the statistics was, and correct me if I am wrong, I thought I heard today we have 48 million citizens that are utilizing the SNAP program.

Ms. BROWN. Forty-eight million in 2013. Today it is 46 million. It has gone down slightly.

Mr. THOMPSON. Okay, gone down. All right. My first question, and thanks for clarifying that number for me.

Ms. Shahin, when a state agency or the USDA is reviewing certain case files, are there certain procedures that a case file reviewer must follow? For example, is a single phone call sufficient, or are there Federal requirements or guidelines USDA enforces, or is it left up to the state agency in terms of how they gather the required information?

Ms. SHAHIN. If I am not mistaken, what you are talking about is in the QC review. Is that what you mean, is in the QC review they have to actually, in that sample month, basically determine whether or not the benefit that they received that month was correct. They basically have to work the case all over again. They have to do the verifications, they have to do the interview, all of those have to happen, and all of that has to be documented in the file very clearly. That is what the state review is all about is doing all of that work. And it is very similar to the original certification. It is a rigorous——

Mr. THOMPSON. Just to clarify too though, some of the questions were about where the accounts have been inactive and, therefore, frozen until maybe a recipient chooses to try to use a card, cannot, and that that kind of triggers, are those benefits just fully restored, or does it go through that kind of a thorough process to make sure that there is still eligibility, they haven't been successful finding better employment or employment, or those types of things?

Ms. SHAHIN. Absolutely. Yes, and that is one of the things that states do when they take it offline. Then they are going to discuss, you had not touched it for this period of time, have there been changes in your circumstances, we need to take a look at this. And they can even do some of their own data matches that they have available to them to see what might be going on for that household or family.

Mr. THOMPSON. Very good. My next question is for any of the witnesses. Since the SNAP program obviously is a taxpayer-provided assistance for those folks who are in need. What percentage of SNAP payments made in error are recovered, and how is this tracked and does it include payments that are errors and payments as a result of fraud, and exactly how is that payment recovered?

Ms. SHAHIN. I think that is mine. Okay, so when they go through the QC review process, any cases that is found to be an error, whether it is an overpayment or an underpayment, and no matter of the threshold, all of them have to then be corrected and reconciled and made correct. That means that if they received an overpayment, then the state must recoup that money from the client, no matter whose fault it was. Now, remember, I don't know if you were in here, but 62 percent of the errors happen through the state administrative process, 38 percent happen by client mistakes. And so as a part of that, and you mentioned fraud, so when they look at that and they see the over-issuance, they are going to have to recoup, and they are also going to have to look at that case and think, "Was this a mistake on the part of the client." Let's say it wasn't a state error, is this a mistake on the part of the client, did they misunderstand, or were they trying to pull something over on me. Was there an intent to do that. If that is the case, then they have to refer that to their fraud unit as well. So any case that is found in error.

On the other side, if it is an underpayment they have to give them a supplemental payment for that.

Mr. THOMPSON. Very good. Thank you, Mr. Chairman.

The CHAIRMAN. All right, just to clarify before the gentleman's time is yielded, Ms. Shahin, I know that you are saying that they have to do that on the overpayments. What is the percentage of overpayments that are actually collected?

Ms. SHAHIN. Well, it should be——

The CHAIRMAN. I know, but——

Ms. SHAHIN. It should be——

The CHAIRMAN. We don't track that?

Ms. SHAHIN. Well, we do, and we are going to actually be getting better information. I mentioned that we are revising our reporting form from the states, so we will be getting more information on this. But they have to do the recoupment. They actually get to keep 35 percent, that is a part of the statute. They get to keep some of that. If they can't recover it, then they have to refer it to Treasury Offset, and then those funds are recovered in that manner.

The CHAIRMAN. I don't have any idea what a Treasury Offset is. What is that?

Ms. SHAHIN. Treasury Offset——

The CHAIRMAN. Next month's benefit is offset?

Ms. SHAHIN.—it is like taking their tax return. The government will——

The CHAIRMAN. These folks aren't filing tax returns.

Ms. SHAHIN. I am sorry?

The CHAIRMAN. These folks—okay.

Ms. SHAHIN. Well, some of them do have tax returns. Some of them.

The CHAIRMAN. All right, so this would come out of their earned income credit?

Ms. SHAHIN. It could come out, yes. And actually, the Treasury Offset Program, I don't have the information right off the top of my head, but that might be something you would be interested to know the billions of dollars we have recovered that way.

The CHAIRMAN. Now, does the state get 35 percent on underpayments, do the states get 35 percent of the underpayment as well?

Ms. SHAHIN. Of the underpayments? No, sir.

The CHAIRMAN. Okay. Ms. Lujan Grisham, 5 minutes.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman. And I too am really interested in making sure that a benefit in a program that I actually think highly of, particularly in terms of its both intended beneficiary group, given that I am still representing one of the most hungry states and hungry populations in the country per capita, but also think that in spite of what are considerable and significant shortcomings in the oversight and quality work by USDA, that most states do a fairly effective job at keeping the administrative costs low.

I believe that you are aware of the many concerns that we have in New Mexico's program, which are longstanding, at least 8 years. And, in fact, USDA, by all accounts, has done very little with this knowledge. It is incredibly disturbing to me to continue, as recent as last night, on national news to hear the allegations from beneficiaries who meet the qualifications for emergency benefits, which

means that they are at risk of being homeless, there is no food in the house, they are raising kids, and that state employees in New Mexico are adding benefits to their applications so that they don't get dinged. This is apparently one place where USDA will ding you, it is like the veterans wait list, that if you don't move those applications timely, because they are emergencies, then you are in trouble. What our state is doing is they falsify those records. And, in fact, the person who the court believes to date was most involved in falsifying those records, in a report to USDA, it was confirmed that it was okay that that person manage the improvements to the New Mexico program. The courts and others have disagreed with you, and that person is no longer, who pleaded the Fifth, I might get this a little wrong, 20 times, 100 times, multiple times in court, is no longer going to be able to try to rectify this program.

Now, in a government oversight hearing, we finally, bipartisanly, got the Under Secretary Concannon to agree that this should be referred to the OIG for investigation, because prior to that, the idea was that USDA would provide technical assistance to the state to investigate itself, which is untenable and really goes to the larger question. We are not creating environments where we are protecting the beneficiaries, protecting the benefits, holding states accountable, or holding bad actors accountable. And I think that the genesis of this hearing, while we might disagree about the policy of the program, we definitely want it to be administered correctly.

Since all of these hearings, and, in fact, I am going to quote Concannon who said, "New Mexico has the most fouled-up SNAP program in the country." And yet we were just doing technical assistance.

I am interested to know what progress you have made in New Mexico, and given what you now know about New Mexico, what are you going to do to hold states accountable? All right, so I get that we want the tools for the beneficiaries who are bad actors, and the grocery stores, and the drug dealers, and all those bad actors, I have no tolerance for it, but I expect the state administrators to do their job and to be held accountable in the same way, which is why I am not a big fan of block grants because then you can't even get the data when the states aren't doing their job. How are we doing?

Ms. SHAHIN. Okay.

The CHAIRMAN. Microphone.

Ms. SHAHIN. Okay. Lots of information there. Lots of questions there. I am going to try and take what you have asked, but if I don't get it all please——

Ms. LUJAN GRISHAM. I just want an update.

Ms. SHAHIN. Yes.

Ms. LUJAN GRISHAM. Yes.

Ms. SHAHIN. Okay. First off, thank you for mentioning the U.S. OIG. The Under Secretary did send the request to them on June 15. We have heard from them. They have initiated an independent review and investigation. Part of that we did get on the phone with them to say we have a lot of other things that we need to work on in New Mexico. We want to make sure we don't impede your investigation in this. Is there anything you want us to do.

Ms. LUJAN GRISHAM. And you want to protect those beneficiaries.

How are you going to——

Ms. SHAHIN. That is right. That is absolutely right. And you are absolutely correct that actually integrity is two sides of the same coin, and that coin has access on one side. Integrity is also the access to the program. Receiving the right benefit, when you are eligible, timely. Whether you are talking about an expedited or a regular program, you do that.

Ms. LUJAN GRISHAM. Thank you, Ms. Shahin, the Chairman is overly patient with me. I am always over time. But it does speak to your question, Mr. Chairman, which is we need data about whether or not accountability is really occurring at all levels.

The CHAIRMAN. The gentlelady's time has expired.

Mr. LaMalfa, 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman.

Ms. Brown, coming back to some of the previous testimony, in the 2014 GAO report there was discussed a great deal of fraud within the program, as well as many factors limiting the effectiveness of detection tools that would be coming from the USDA. But during the same year, USDA actually touted their record of their payment accuracy rate and work reducing the fraud. As you mentioned earlier, in the identified report there is concern that USDA and the Food and Nutrition Service do not have reliable or relevant data, so it is pretty difficult to actually determine how they got to these numbers and figures they are labeling as a successful venture, when multiple state investigations are getting different numbers at the same time. FNS was pushing the use of monitoring software, which I understand to be described as the really simple syndication, or the RSS, technology, which is known to be outdated, and the report found only one state of eleven that it surveyed found it to be effective.

My question is, in your opinion, which is also based on GAO's overall findings on fraud, is USDA doing enough to not only implement more effective methods to prevent fraud before it happens, but also to improve the data they have so we actually have a more accurate picture of the figures of fraud. As they mentioned in this statement, it is pretty sketchy. How would you really bottom line address that to how are we going to have a better, more accurate picture overall of fraud with this kind of issue going on at the state level, and with previous technology?

Ms. BROWN. Well, one of the things that you mentioned was trying to get a handle on the extent of recipient fraud. And what we asked USDA to do was take a look at their reporting form on that because we don't have a measure, like there is X percent of recipient fraud in the country or in any state. But *in lieu of* that, USDA has a reporting form that Ms. Shahin has mentioned that they are modifying, and that form has how many investigations are done, how many administrative disqualifications, how many prosecutions, that kind of thing, that at least gives some kind of measure about state effort. And what we found was that the information that was coming in on that form to date was not good because different states were interpreting what they were supposed to be reporting, what constituted an investigation, for example, differently. We asked them to fix that form, and they have, in fact, they have developed a new form, I think it is a——

Mr. LAMALFA. Let me break in, is this part of the RSS, or the really simple syndication system?

Ms. BROWN. That is a second issue that I want to make sure I address too.

Mr. LAMALFA. But, those are two different ones.

Ms. BROWN. Yes. And so the form thing, they are working on that and they are waiting for OMB to approve it, and they are doing training on it.

The RSS feed is about the fact that there is some concern that traffickers are using e-commerce and social media sites to try to traffic their benefits. They might be trying to trade for cash or even trade for a place to stay, or other types of nonfood goods and that is not——

Mr. LAMALFA. And when you find this type of transaction going on, on social media, do you have the means to come down upon that immediately and firmly?

Ms. BROWN. Well, we did some studies and did find examples of that. Not a huge amount, but we did find examples. And our recommendation to USDA was that the types of guidance they were giving the states on how to get a handle on that and get out in front of it, the states didn't find it very helpful. And so it was just a lot of data through the RSS feeds that you are talking about. And we found that just by looking at an e-commerce site and doing a manual search, we found better information than they did through all this data that was coming to them that USDA was recommending. We suggested that they improve that process and——

Mr. LAMALFA. I am about out of time, so just the bottom line, do you feel that the USDA is doing enough right now to implement more effective methods?

Ms. BROWN. I think they are taking steps in all of the areas that we recommended. I don't think they are quite there on any of them yet.

Mr. LAMALFA. Well, the steps as they play out, will that be enough, or is it going to be still behind the curve ball?

Ms. BROWN. Well, what we looked at was just some elements of fraud at the state level, and there are many other opportunities that we have talked about today that are instances where USDA and the states can work together more closely to share their data and find ways to identify fraud.

Mr. LAMALFA. Thank you. My time has expired. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentleman's time has expired.

Just a couple of nits and nats. Ms. Shahin, the clearinghouse the tests that you did, how many states were involved in the clearinghouse?

Ms. SHAHIN. It was five states.

The CHAIRMAN. Okay.

Ms. SHAHIN. Do you want to know which they were?

The CHAIRMAN. No, that is okay.

Ms. SHAHIN. Okay.

The CHAIRMAN. It was five.

Ms. SHAHIN. Okay.

The CHAIRMAN. And then on people who are disqualified, retailers disqualified under your administrative procedures, is that pub-

lic information, is that available for the public to know? Should we publicize that better and shame these people?

Ms. SHAHIN. Yes, sir. Actually, it goes onto, I can't remember the name of it. I think it is called SAMS. It gets posted.

The CHAIRMAN. All right, it would be the retail establishment, XYZ Food Mart. Are the individuals who——

Ms. SHAHIN. It would be the owner. The owner's name.

The CHAIRMAN. The owner.

Ms. SHAHIN. Yes——

The CHAIRMAN. The individual themselves who——

Ms. SHAHIN. You bet, because remember that he might sell that store now, okay, and if he sells it, he is going to have to pay a penalty for having sold it because the disqualification wasn't enough, so we are going to charge him a penalty.

The CHAIRMAN. Yes.

Ms. SHAHIN. But that new owner may keep the same name of the store.

The CHAIRMAN. Right. I got you. All right.

Ms. SHAHIN. So we want the owner's name.

The CHAIRMAN. All right. Mr. Denham, did you want to ask a question?

Mr. DENHAM. No.

The CHAIRMAN. Okay. Well, thank you all for being here. Ms. Shahin, your first bite at the apple, the USDA may never let you come back. Your way is too candid. But thank you. Good job.

Ms. Brown, thank you.

Mr. Yost, you had one slide up there that showed the same transactions for 6 months in a row, right after the EBT cards refreshed. I used to be an auditor back in my misspent youth, and that is suspicious. And it wasn't your task to go find that individual or look at that retailer to see if there were other similar transactions going on, that couldn't be the only time that retailer perpetrated that deal with that one individual. There had to be other individuals doing it as well. And so there is plenty of meat in your information, your data mining, for me to say that this should have been fodder for additional investigations. I understand the challenge of small-dollar defalcations and small-dollar errors, but nevertheless, each of those chip away at the public integrity, the public support. Mr. Yost, you said it really well in terms of why we need to get this right over and over. I am a little concerned with the quest to get the error rate down by making it easier to not make errors. Errors are there, tracked errors to find out if people are getting benefits they shouldn't get, or didn't get benefits they should. If we just simply make it easier to not make errors then I don't know that that is necessarily the proper quest that we should be on. But all this fits into the overall pattern. My colleagues from time to time on the other side of the aisle gripe about the number of hearings we have had. We spend $80 billion a year on this program. It is worthy of several hearings to understand what is going on, and so I am not embarrassed by it. And, quite frankly, I have no way to compel them to come to these hearings. They show up on their own. If they don't like it, they can stay home.

But nevertheless, I appreciate our witnesses being here this morning and giving us some good information.

We might have some follow-up things to talk about as well, particularly the offsets or the way to get back the overpayments on the error rates, even the ones that we do track. The fact that the error rate is understated, many point to that as a point of honor, and knowing that the data is just not inclusive of all the errors because of the floor that is under this program, and none of the other means-tested programs. That is good information to have this morning as we continue to get this right. Forty-five million Americans are dependent on this. The rest of the Americans who are paying for this need to know that it is being administered correctly and properly. And I appreciate all of your efforts across the spectrum of how you make that happen.

Under the rules of the Committee, today's hearing will remain open for 10 calendar days to receive additional material and supplemental written responses from any of the witnesses to any of the questions by a Member.

This hearing of the Committee on Agriculture is adjourned. Thank you.

[Whereupon, at 12:08 p.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUPPLEMENTARY MATERIAL SUBMITTED BY JESSICA SHAHIN, ASSOCIATE ADMINISTRATOR FOR SNAP, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Insert 1

The CHAIRMAN. Okay.

Recently, there was in the news a very large bust, $13 to $16 million, and it appeared to be conducted from storefronts that didn't even a business there. Is there not a site visit associated with the retailer approval process?

Ms. SHAHIN. Yes, sir, there is a site visit that is involved, and we have made a lot of improvements actually in the area of denying stores up-front because we are doing better work in that area. Are you talking about the one down near Miami?

The CHAIRMAN. It was in Florida, yes, ma'am.

Ms. SHAHIN. Opa Locka. Yes.

The CHAIRMAN. Yes, ma'am.

Ms. SHAHIN. So that is a really good example of the work of state law enforcement, our USDA OIG. Our agency actually were the first to get the hotline call. We did some investigation. It looked like trafficking was happening. It was referred over to OIG and they said, "Yes, this is a criminal case we want to go after." So it takes a little bit more time to get those done because they are taking criminal action.

The CHAIRMAN. Right, but my understanding of that one is the storefronts were just that; there were no businesses associated with it. There wasn't actually a retail shop there for folks to actually buy food.

Ms. SHAHIN. Yes. That is not the way I understand it but that is really good to know, so I can go back and check on that.

Yes. Every firm that was authorized at the Opa Locka flea market was visited prior to authorization. In addition, since July 2015, FNS has consistently required proof of the owner's inventory purchases prior to authorization.

Insert 2

Mr. PETERSON. Thank you, Mr. Chairman.

Ms. Shahin, I mentioned in my opening remarks that I am not the big fan of having these different standards. And I realize that in most cases it doesn't make a whole lot of difference. But, in North Dakota, people qualify for benefits that, if they were in my district in Minnesota, they don't. It is just not right, in my opinion. One question I have is with the LIHEAP situation. Minnesota is not one of those states where we had a lot of people on this dollar LIHEAP payout so that they were qualifying, and we raised it to $20, didn't we? Is that what we did? And CBO was saying at the time that the states wouldn't spend the $20 to qualify people. So what ended up happening? Did it knock a lot of people off the rolls that were on there before, or not, or what happened?

Ms. SHAHIN. Yes, on LIHEAP, and I am not anywhere near as good keeping numbers in my head, so let me just say I will go back and check and make sure I did this right, but I believe there were about 17 states that were doing the nominal, and I believe around 12 to 13 went ahead and brought their nominal LIHEAP up to the $20 to meet the law as it was provided for. The remainder did not. Once again, as you are suggesting, these are options and choices that we do have for states in terms of their flexibilities and ways they can approach the program. We have the national standards, but there are places and flexibilities that provide for that kind of thing.

The Agricultural Act of 2014 modified the link between a household's receipt of Low-Income Home Energy Assistance Program (LIHEAP) benefits and its eligibility for the Supplemental Nutrition Assistance Program (SNAP) heating or cooling standard utility allowance (SUA) by requiring that the LIHEAP payment exceed $20 annually and be received in the current or immediately preceding 12 months. These changes primarily impacted the 17 states that had implemented nominal LIHEAP payments. FNS provided detailed implementation guidance, policy clarifications, and technical assistance to these 17 states. FNS encouraged these states to move forward with implementation in a manner that follows the intent of the law.

To date, 13 states have increased their minimum LIHEAP payments to greater than $20: California, Connecticut, Delaware, District of Columbia, Maine, Massachusetts, Montana, New York, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington State. Four states, Michigan, Wisconsin, New Jersey, and New Hampshire, chose not to increase payments and no longer apply the SUA automatically to households that receive LIHEAP. In the states that did not increase their

LIHEAP payments, impacted households continued to receive SNAP benefits but likely experienced a reduction in benefit levels.

FNS will continue to monitor each SNAP state agency's compliance with this requirement and will quickly address potential challenges. LIHEAP is a state-administered program under the Federal oversight of the Department of Health and Human Services (HHS). States have the authority to determine how to use their LIHEAP funding, in accordance with that program's requirements. LIHEAP is not administered or funded by the USDA and USDA does not have the authority to regulate state's administration of LIHEAP. USDA has consulted with HHS in order to ensure mutual understanding of the new requirements that now govern the SNAP/LIHEAP link and will continue to coordinate with HHS to address any issues that arise.

Insert 3

Mr. BENISHEK. But nobody is actually prosecuted for this kind of thing, it doesn't sound like.

Ms. SHAHIN. Well, no, when OIG actually takes it on as a criminal case, that does go to court. That is the thing like what you were talking about Mr. Chairman.

Mr. BENISHEK. Well, how many times a year does that happen?

Ms. SHAHIN. I am sorry?

Mr. BENISHEK. How many times a year does that happen where somebody actually goes to court? Yes.

Ms. SHAHIN. Okay, now are we talking about the recipients?

Mr. BENISHEK. No, I am talking about these retailers.

Ms. SHAHIN. Okay. Okay. For the retailers. I don't have that information because that is through OIG, but I can get it for you. Could we get back to you on that, on how many that do——

Mr. BENISHEK. Well, yes, I guess.

FNS has consulted with the Department of Agriculture's Office of Inspector General (USDA OIG) to provide this response. The USDA OIG takes as many actions as are necessary in any given year. For example, in FY 2015, for cases involving SNAP fraud directly attributed to retailers, USDA OIG had 352 indictments, and 504 convictions with monetary results totaling $65.2 million. Note: Indictments and convictions often do not align one-for-one in any given year. The average time between indictment and conviction is 14–18 months (or potentially longer in some cases) so they may not occur within the same year.

SUPPLEMENTARY MATERIAL SUBMITTED BY HON. DAVE YOST, AUDITOR, STATE OF OHIO

Ms. FUDGE. This is a very broad statement. Have you found fraud in Medicare or Medicaid, and at what level?

Mr. YOST. Sure. We find misspending in a variety of programs. We issued a report last year about some in the Department of Education.

Ms. FUDGE. Are you concerned about those as much as you are concerned about this?

Mr. YOST. I am concerned about all of the misspending I find, ma'am.

Ms. FUDGE. What about crop insurance, what has your audit found about that?

Mr. YOST. I don't know that we have ever looked at crop insurance, and I don't know what the risks associated on it are.

July 7, 2016

Hon. MARCIA L. FUDGE,
Member of Congress,
Cleveland, OH.

Dear Representative Fudge:

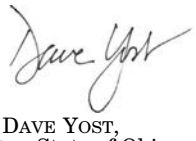
I was taken aback yesterday during the House Committee on Agriculture's SNAP hearing when you asked me if the Ohio Auditor of State's office audits the Federal Crop Insurance Program. It turns out my surprise was for good reason: Crop Insurance is not a Federal program administered by the state and is not included on the states' Federal schedule to be audited.

The Federal Crop Insurance Program you referenced is administered by the U.S. Department of Agriculture's Risk Management Agency (RMA). RMA selects and pays private insurance companies to sell and service the policies. Crop insurance

claims are paid by the private insurance company directly to the farmer. The State of Ohio is not involved in the process.

I hope this information is helpful as you continue to review SNAP and assess all the programs that fall under the direction of the Department of Agriculture.

Sincerely,



Hon. DAVE YOST,
Auditor, State of Ohio.

CC:

Hon. K. MICHAEL CONAWAY, *Chairman;*
Members of the House Committee on Agriculture.

SUBMITTED LETTER BY TRACY WAREING EVANS, EXECUTIVE DIRECTOR, AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION

July 18, 2016

Hon. K. MICHAEL CONAWAY,
Chairman,
House Committee on Agriculture,
Washington, D.C.;

Hon. Collin C. Peterson,
Ranking Member,
House Committee on Agriculture,
Washington, D.C.

Dear Chairman Conaway and Ranking Member Peterson:

I write today on behalf of the American Public Human Services Association (APHSA), which represents the state and local public human services administrators responsible for implementing and managing the Supplemental Nutrition Assistance Program (SNAP). We have a long-standing interest in assuring that SNAP provides long-term, positive impacts for the population it serves directly and the nation at large. APHSA is committed to a human services system that supports stronger and healthier individuals, families, and communities through positive and sustainable outcomes, and SNAP plays a critically important part.

We appreciate this opportunity to submit a written statement for the record following your hearing of July 6, 2016, "Past, Present, and Future of SNAP: Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity." States take seriously the issue of SNAP program integrity and want to see this program administered properly in every respect, including its quality control (QC) procedures. Over the years, we in partnership with the Food and Nutrition Service (FNS) have steadily improved SNAP's performance despite tight budgets and the program's size and complexity. We will continue to work with FNS to maintain and further strengthen this record.

The July 6 hearing covered both trafficking (the prohibited use of converting benefits to cash through a cooperating retailer) and errors made during the eligibility determination process. States have primary responsibility for eligibility errors, and our comments below focus on this issue and its associated QC procedures. (While FNS has primary responsibility for retailers and trafficking, states also devote resources to taking appropriate action against recipients who traffic their benefits.)

As you are aware, the USDA Office of Inspector General (OIG) submitted a report in September 2015 criticizing both FNS and the states for shortcomings in SNAP QC. Following this report and its own recent intensive reviews, FNS has begun informing states that some are seriously out of compliance with a variety of SNAP QC requirements. FNS has asked states to develop corrective action plans if they concur. The FNS reviews have covered more than 30 states so far and we understand are scheduled to be completed in all states by late December 2016.

SNAP QC procedures are extensive and detailed. FNS and the states have partnered for many years to understand and properly implement training protocols and administrative techniques to assure QC is done well. We and FNS have engaged in countless conference workshops, trainings, conference calls, monitoring visits, and other joint activities to implement these procedures in the best way pos-

sible. The last step in this process is that FNS reviews a subsample of state QC cases and confirms their validity before error results are finalized and published.

Given the closely intertwined responsibilities that FNS and states have in administering SNAP and its QC procedures, and the continuous communication taking place between us, it is not our purpose to assign blame for any problems that exist but instead map out a productive and mutual path forward to mitigate systemic factors that have helped produce the current controversy. As outlined below, we believe that a combination of simpler program rules, rapid modernization of eligibility and verification methods, and a far more intentional system of training and communication are critically important first steps. More significantly, we call for a far broader and more outcome-focused way of assessing SNAP's performance and impacts, perhaps augmented by an independent analysis of what metrics are most important to consider and how they should be administered.

Program simplification—As APHSA and its members have urged for many years, simpler SNAP rules would reduce the opportunities for errors in the first place, as well as reducing administrative burdens for states and confusion for customers. SNAP's profusion of eligibility factors attempts to reflect precisely every type of and change in these factors—perhaps a desirable goal in theory, but they are now so numerous and so complex that we doubt there is any longer a net benefit to this approach. Many SNAP households have frequent changes that strain our resources to constantly track and verify them. SNAP formerly had a very sensible tolerance level of $50 in budget changes before an error was cited, but the 2014 Farm Bill lowered that figure. Minor variations in circumstances should not be included in eligibility factors and their associated QC reviews.

SNAP should also become more aligned with other major assistance programs, including Medicaid, the Temporary Assistance for Needy Families program, housing, child care, and similar programs—such as by counting income the same way, among many other possibilities. Again, doing so would enhance program integrity, reduce confusion, and streamline administration.

Modernization to take full advantage of electronic information—SNAP must be aggressively modernized in the way it collects, uses, and verifies eligibility information. The program is still far too paper-based, is too hampered by outmoded technology, makes insufficient use of existing electronic data, and focuses too little on the creation of new databases. For example, SNAP and other human services programs need access to a central data source such as the Federal Data Services Hub, and the data within it must be considered already verified for SNAP use. Further, FNS and other Federal agencies must revisit how proprietary data sources used in eligibility determination are shared and paid for; while some of this data is available free for Medicaid, states must pay for the same data again to access it for SNAP, an obvious unnecessary use of scarce funds.

Pilots such as the National Accuracy Clearinghouse, which is testing a multi-state recipient database, are promising and should be quickly implemented for a variety of other creative ideas in generating and sharing information. Potentially helpful innovations like these demand a much higher priority and much faster timetables than we have seen to date. Progress on these fronts could alone reduce or eliminate many of the integrity concerns we currently face.

Training and communication—Despite how closely we work with FNS, the recent reviews have highlighted that far too much confusion still exists around what QC procedures are permissible and how a long list of technical issues should be interpreted and resolved. Our state members report that there are regional variations in guidance and training provided by FNS; a range of interpretations about the meaning of FNS manual material; different rulings by FNS on the same issue over time; and, in the current round of reviews, the flagging as violations of practices that were already known to FNS and were even part of approved corrective action plans. They also note a number of mistakes and misinterpretations in what the OIG findings assert. We believe that alternative training approaches would yield major progress toward resolving these problems, for example online, national training events; simultaneous training of both policy and quality control staff, and of both Federal and state staff, in the same events; and outside facilitation and analysis that can help sustain the impacts of training for all staff, regardless of the roles they play.

We continue to work closely with FNS to resolve these concerns, and understand that FNS is bringing regional leaders together for intensive new training and is updating the QC Handbook. We stress that the lack of consistency must be aggressively addressed in fairness to all states.

A broader approach to assessing SNAP—Beyond the more immediate changes above, APHSA urges that we work promptly toward a more comprehensive assessment of SNAP's performance and impacts that demonstrate how SNAP has made

the lives of individuals and families better. SNAP must of course remain grounded in accuracy and timeliness, but the program accomplishes so much more: supporting gainful employment, stabilizing family budgets, and improving nutrition and other factors in well-being. The intense and nearly exclusive focus on current QC metrics leaves little staff time and capacity—either state or Federal—to pay proper attention to these significant and broad impacts. SNAP plays important roles in preventing downstream, "heavy touch" problems and in strengthening families in multiple other ways, and these outcomes must be given their proper weight.

An independent study of SNAP program integrity—APHSA also believes there could be great value in having an independent, outside party study SNAP's QC and integrity procedures, such as was done to resolve QC concerns in the 1980s by the National Academy of Sciences. This analysis should examine which measures are most relevant and useful for evaluating SNAP's success and how they should be administered. It should focus particularly on what SNAP could learn from how other government programs are measured, how SNAP's broader impacts can be practically evaluated, and how improvements in administration can best be incentivized.

APHSA and its members are preparing detailed policy proposals to cover the above issues and others in advance of SNAP's upcoming reauthorization, and we will share those with you when they have been completed. In the meantime we will of course cooperate with FNS to end violations warranted by evidence found in the current reviews. However, this experience has reminded us again of the very serious need for a fresh look at SNAP QC and how the entire program can be made better. We offer the expertise and experience of our members as we undertake this important effort, and look forward to working with you in any way we can.

Thank you again for this opportunity. If you have any questions please contact Larry Goolsby, Director of Strategic Initiatives, at [**Redacted**] or [**Redacted**].

Sincerely,

TRACY WAREING EVANS,
Executive Director.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(PAST, PRESENT, AND FUTURE OF SNAP: IMPROVING INNOVATION AND SUCCESS IN EMPLOYMENT AND TRAINING PROGRAMS)

TUESDAY, SEPTEMBER 13, 2016

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NUTRITION,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:01 a.m., in Room 1300 of the Longworth House Office Building, Hon. Jackie Walorski [Chairwoman of the Subcommittee] presiding.

Members present: Representatives Walorski, Thompson, Gibbs, Crawford, Benishek, Yoho, Moolenaar, Conaway (*ex officio*), McGovern, Lujan Grisham, Aguilar, Ashford, DelBene, and Costa.

Staff present: Caleb Crosswhite, Jadi Chapman, Mary Nowak, Mollie Wilken, Stephanie Addison, Lisa Shelton, Liz Friedlander, Faisal Siddiqui, John Konya, Nicole Scott, and Carly Reedholm.

OPENING STATEMENT OF HON. JACKIE WALORSKI, A REPRESENTATIVE IN CONGRESS FROM INDIANA

The CHAIRWOMAN. Good morning. Welcome to today's hearing entitled, *Past, Present, and Future of SNAP: Improving Innovation and Success in Employment and Training Programs.*

I would like to say good morning and welcome to today's Nutrition Subcommittee hearing. Thank you to everyone for being here, and thank you, in particular, to our witnesses for your participation and valuable insights.

We are continuing the series of hearings looking at the past, present, and future of the Supplemental Nutrition Assistance Program, or SNAP, by examining employment and training, or E&T, programs. While we know that a job is the surest way to get out of poverty, it can be difficult for individuals to find a job that matches their skills, or to gain the skills needed to fill the jobs available in an area. This is why Congress created employment and training components in various welfare programs to help low-income individuals obtain the skills and training they need to find and keep a job.

SNAP E&T and other workforce training programs exist to ensure that the safety net is a temporary stop for able-bodied adults. They build up valuable skills. They lend a helping hand to those bouncing back from adversity. Each state SNAP E&T plan is ap-

proved and overseen by USDA. States are required to operate a SNAP E&T program and have considerable flexibility to tailor their state's program to their specific needs and economic circumstances. Among the services SNAP E&T programs offer are job search training, work training, educational programs, and job retention. Some states operate their programs with mandatory participation, while others make it voluntary. Some coordinate their workfare programs through one central agency, while others are more separated.

Recognizing the transformative impact that a job can have on someone trying to lift him or herself out of poverty, the 2014 Farm Bill authorized SNAP E&T pilot projects to test innovative strategies. In March of 2015, the USDA awarded ten states grants that carry rigorous reporting and evaluation requirements in order to ensure quality and evidence-based information. We are fortunate to have representatives from three of the ten states here with us today.

Though the final evaluation of the pilots is not anticipated until 2021, today's hearing will be useful to learn what factors influenced each state's pilot design, what strategies are being tested, and how these states intend to utilize the pilot results within their core E&T services offered by the state.

I want to close my remarks with one final point. Our safety net programs are indispensable, but for those that are able to work, the safety net should be a temporary stop and not a final destination. This is something that has been echoed by Republicans and Democrats alike. In his second State of the Union address, Franklin Delano Roosevelt told Congress, "Work must be found for able-bodied but destitute workers." He extolled not only the obvious financial benefits of a job, but also the benefits to the mind, body, and spirit as well. And while President Roosevelt took a government-centric approach to create jobs, the core principle behind it remain, if you can work, you should work.

Today, we will examine programs that help those who can work secure and keep a job and look at new, innovative approaches to make these programs more effective.

I thank each of our witnesses again for being here and I look forward to hearing from you.

[The prepared statement of Mrs. Walorski follows:]

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OPENING STATEMENT OF HON. JAMES P. MCGOVERN, A REPRESENTATIVE IN CONGRESS FROM MASSACHUSETTS

Mr. MCGOVERN. Thank you. And I want to thank Chairwoman Walorski for convening this hearing, and I want to thank all of our witnesses for being here today to share your experiences and findings. I am looking forward to hearing about these pilot programs. As I understand it, there is a lot of innovative work being done, and perhaps some ideas that we can draw upon in the future.

We need to remember, however, to look at these pilot programs in terms of the bigger picture. Employment and training is funded by a block grant of $90 million per year. This funding level hasn't been updated since 2004, and SNAP E&T funding is extremely limited compared to the number of recipients who could potentially be eligible for services. And it is important to note that some states aren't even using all of their grant funding. I point this out not to be critical of these jurisdictions. I know there are a lot of pressures on states, but there are gaps in funding, and we know we aren't reaching everyone who needs assistance.

In fact, while there are about 44 million people receiving SNAP benefits, only about three million are served by SNAP E&T programs. And with the ABAWD waivers expiring, at least 500,000 able-bodied adults are being kicked off of SNAP. A lot of these individuals lack education, and are unskilled. Many of them are veterans who are returning to the United States after serving our country, and trying to get reoriented back into life here, but without adequate E&T program funding, I am not sure what will happen to them.

Given the diversity of the SNAP population, it is important to underscore that there isn't a one-size-fits-all solution. And I would like to remind my colleagues of the testimony Secretary Vilsack gave this Committee in 2014, that the pilots are an important component to helping SNAP recipients towards self-sufficiency, but they are only one tool states can use to engage this high-risk population.

I also appreciate hearing that the states testifying before us today use case management to achieve successes in their programs. I would like to remind Members of the Subcommittee that case management costs money. We need to provide our states with the resources needed to continue the good work in this area as well. So, I am pleased to see states taking innovative approaches to these employment and training pilots, and I look forward to learning more about how these programs can help our most vulnerable neighbors.

I also just want to point out, yes, we are all dedicated to trying to help able-bodied people be able to get employment and to get a job, but we also need to understand that a big chunk of able-bodied people who are on SNAP right now work. And one of the challenges is finding a job that actually pays a livable wage. So contrary to the perception out there that everybody on SNAP doesn't work, that is just not the case. We have many, many, many recipients, the majority of able-bodied people, who do work, who work hard to support their families, but still earn so little that they need to rely on SNAP.

So I look forward to the hearing, and I yield back my time.

The CHAIRWOMAN. Thank you. The chair would request that other Members submit their opening statements for the record so the witnesses may begin their testimony, and to ensure that there is ample time for questions. The chair would like to remind Members they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. I appreciate Members' understanding.

The gentleman from California, Mr. Costa, is not a Member of the Subcommittee, but has joined us today. Pursuant to Committee Rule XI, I have consulted with the Ranking Member, we are pleased to welcome him to join in the questioning of the witnesses.

Witnesses are reminded to limit their oral statements to 5 minutes. All of the written statements will be included in the record.

I would like to welcome our witnesses to the table. I now recognize Ms. DelBene to introduce our first witness.

Ms. DELBENE. Thank you, Madam Chair. I am very pleased to introduce David Stillman from my State of Washington. He is the Assistant Secretary of the Economic Services Administration at Washington State's Department of Social and Health Services, where he is responsible for a number of Washington's public assistance programs and benefit programs. David oversees more than 4,000 employees, 80 offices, and a $2 billion budget, with a focus on transforming government to better serve families in need.

Prior to accepting his current position, David served for over 5 years as Director of the Department's Division of Child Support. Among his achievements, he is a 2001 recipient of the Governor's

Distinguished Manager Award; the highest recognition for a state's government manager. David received his B.A. from Whitman College, and his J.D. from the University of Puget Sound School of Law. He truly does excellent work on behalf of so many, and I am just thrilled that you are here with us today. Thanks for joining us.

And I yield back.

The CHAIRWOMAN. Thank you. We also have Mr. Jon Anderson, Deputy Director, Georgia Division of Family and Children Services, Office of Family Independence, Atlanta, Georgia. Welcome. I would also like to yield now to Mr. Costa to introduce our final witness.

Mr. COSTA. Thank you very much, Madam Chair. And thank you for the courtesy of allowing me to participate in this morning's Subcommittee hearing.

I am honored to introduce Mr. Pete Weber, a friend, a gentleman who I've known for many years, who retired in 2001 to dedicate himself to community and economic development for the people who live in the San Joaquin Valley.

Mr. Weber is the founder of the Fresno Bridge Academy, which was recently selected by the United States Department of Agriculture as one of the ten national pilot programs that we are going to be hearing about this morning, aimed at increasing income and self-reliance of families eligible for food stamps. He makes a compelling case. I know because I have visited the Fresno Bridge Academy many times. His work with the Fresno Bridge Academy led to the James Irvine Foundation Leadership Award last year for creative and inspirational leadership benefitting the people of California. I have had the pleasure of knowing Pete for many years, as I have said, and come to respect his involvement in many of the various segments of our community. And for so many reasons, I want to thank you for that dedication to, in today's testimony, those who are challenged and who have very difficult economic circumstances by trying to provide a helping hand through the SNAP Program to improve their lives and make them independent. And so we will look forward to his testimony.

The CHAIRWOMAN. Thank you, Mr. Costa. Mr. Weber is also accompanied today by Ms. Kim McCoy Wade, CalFresh Branch Chief, Department of Social Services, Sacramento, California. Thank you to all of our witnesses.

Mr. Stillman, please begin when you are ready.

STATEMENT OF DAVID STILLMAN, J.D., ASSISTANT SECRETARY, ECONOMIC SERVICES ADMINISTRATION, WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES, OLYMPIA, WA

Mr. STILLMAN. Good morning, Chairwoman Walorski and Ranking Member McGovern, and thank you also, a gracious thank you to Representative DelBene for her introduction.

In Washington, under the leadership of Governor Inslee, and with the support of our Congressional delegation, we have elected to make TANF, SNAP, and the SNAP employment and training programs part of our WIOA state plan. I begin there, and hopefully, you will have the chance to look at the slide that has been put into your packets, that looks a little bit like a superhighway. I think that it is really important to note that, with Congress' help,

we have been able to push a reset button on how we deliver our workforce system support services across the entirety of what we do and how we do it in Washington State.

The WIOA priority populations intersect and overlap with those populations that we serve with TANF and SNAP, and so many other parts of our program. In fact, we are really happy to be able to work with our Departments of Commerce, Vocational Rehabilitation, the State Board for Community and Technical Colleges, our Department of Labor equivalent in employment self-sufficiency, and really through that combination of SNAP, employment and training, and the other parts of our basic food program, put this effort at the center lane of our superhighway to focus our attention on the alleviation of poverty.

So that is my set of bureaucratic statements, but I would be remiss if I didn't mention or begin with more of a client-centric perspective. So I am going to talk about Taylor. Taylor is a single mom with two kids. She enrolled into the Basic Food Employment and Training Program in Seattle, part of the Seattle Jobs Initiative, one of our stellar community-based organizations, and the Highline College in the fall of 2012. I hope you will pay attention to this anecdote. She was working as an L.P.N., barely able to make ends meet, and through the support that she received at SJI and Highline College, she was able to complete her program and receive services such as transportation, required school items, and utility assistance. She took some time away to help an ailing parent, and was able to re-enter the program, and is now working 32 hours a week at $26 an hour plus benefits.

So what do we take away from that? We should take away that life is not seamless, and that is so true for so many of the clients that we serve. It is also a takeaway that there is a need for the availability of coaching and career navigation services, support service funds, and that Taylor's success is equally attributable to the efforts of the local community investment that is involved in the SNAP employment and training funds.

I will quickly make reference to the second slide that I provided, which shows how there is skin in the game, dollars in the game, that are invested from the local level on up to draw down these important Federal funds. This is not about a state bureaucracy, although many of the funds are needed to build and sustain infrastructure. This is about local dollars matching Federal dollars in order to build a really important and critical program for the clients that we serve.

In addition, Washington has been blessed as being one of the ten states awarded a grant under the recent farm bill, where we are testing some additional innovative approaches for work registrants that receive SNAP. Our pilot Resources to Initiate Successful Employment, or RISE, is using that rigorous gold standard evaluation and a randomized control process. We intend to increase engagement in unsubsidized employment opportunities, increase participant earnings, and reduce reliance on public assistance by using comprehensive case management, the ability to attend training, and participate in the soft or vocational work skills referred to in our state as Strategies for Success, and the opportunity to engage in work-based learning opportunities, yet another opportunity for

us to partner with our WIOA service providers in Washington State.

I will finish again with another client story. J.P. entered RISE with high barriers: homelessness, chemical dependency, mental health, a criminal record, and a lack of a driver's license, just to name a few. With the case management support that we were able to provide, and as a result of assistance from an unexpected source; the Division of Child Support, J.P. was able to obtain regular visits with his son, who he had not had contact with over 5 years. He has now secured sobriety housing, reduced the barriers which has allowed him to engage in Strategies for Success training, and is on his way, this is a work in progress, to earning a chemical dependency professional certification, and engaged in an internship program.

I invite you to think about what the takeaways are there, with true system integration and SNAP E&T at the heart of that service delivery.

Thank you.

[The prepared statement of Mr. Stillman follows:]

PREPARED STATEMENT OF DAVID STILLMAN, J.D., ASSISTANT SECRETARY, ECONOMIC SERVICES ADMINISTRATION, WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES, OLYMPIA, WA

SNAP E&T, Washington's Basic Food Employment and Training Program and SNAP E&T Pilot, Resources to Initiate Successful Employment

Program Success Stories

BFET Success Story I

Taylor enrolled into the Basic Food Employment and Training (BFET) program at Seattle Jobs Initiative (SJI) and Highline College in fall of 2012. Taylor's pay as a Licensed Practical Nurse was barely enough to make ends meet for her and her two children. SJI provided Taylor with education, career navigation, and help with transportation, required school related items, and utility assistance. Taylor completed her program with a 4.0 GPA in June of 2013.

Taylor stepped away from the BFET program for 7 months to care for her ailing mother and then reengaged with SJI in December 2013. SJI assisted Taylor with résumé' revision, mock interviews and employer follow ups. She also attended SJI's job seekers club to complete online applications. Taylor was hired in February 2014 as a registered nurse at Kindred Healthcare in Shoreline. She is working 32 hours per week and is earning $26 per hour + full benefits.

BFET Success Story II

Alvin, a new Washington resident, was couch surfing and looking for work. He attended a resource fair in October 2013 where he enrolled in the BFET program at Neighborhood House of Washington (NHWA). Alvin expressed a desire to work as a Forklift Operator since he had warehouse work experience, but needed certification. NHWA connected him with Puget Sound Training Center (PSTC), another BFET partner, to obtain the necessary training.

NHWA and PSTC coordinated their employment and training services to assist Alvin find employment. While Alvin was completing Forklift Operator training at PSTC, NHWA assisted him with résumé writing, mock interview and online applications. In addition, NHWA leveraged their Working for Housing Stability program to secure permanent, affordable housing for Alvin. In December 2013, Alvin was hired by Randstad Staffing as a Forklift Operator full time earning $12.75 per hour. Alvin is now self-sufficient paying for his own rent.

RISE Success Story

J.P. entered RISE with high barriers; homelessness, chemical dependency, mental health, criminal record, and lack of driver's license just to name a few. The case manager outlined a plan to assist with housing, engage the client in mental health services, wok on self-empowerment, and connect the client with the Division of Child Support's (DCS) Alternative Solutions program, to assist with driver's license

reinstatement, obtaining a reasonable child support order, and a reduction of outstanding debt.

As a result of the assistance from DCS, J.P. was able to obtain regular visits with his son, who he had not contact with for over 5 years. J.P. secured sobriety housing and reduced significant barriers allowing him to engage and complete Strategies for Success (SFS) training. During his attendance in SFS training, J.P. developed an interest in using his story to give back to others. Following SFS training, J.P. began working towards earning Chemical Dependency Professional certification and has engaged in an internship program.

These stories represent the majority of Washington's E&T participants. Currently, over 60 percent of BFET participants enter employment upon completion and will receive a ten percent wage increase within a year.

Basic Food Employment & Training Overview

The Washington State Basic Food Employment and Training (BFET) program [1] is an important part of Washington State's comprehensive workforce development system serving the needs of low-income individuals, indigent workers, and employers. The vision of the BFET program is to assist Basic Food (SNAP) recipients in obtaining livable wage employment and to achieve self-sufficiency.

BFET offers job search, training, education, and workfare activities to improve BFET participant's employment prospects and wage earning potential. The program serves Basic Food recipients, age 16 and older, who are not participating in the state's Temporary Assistance for Needy Families (TANF) program. Participants volunteer to take part in these services to improve skills and self-sufficiency.

History of BFET

While the Supplemental Nutrition Assistance Program has had a requirement to include an employment and training component since 1998, most states programs have consisted of a referral to a job search program. This was the case in Washington until our BFET program started as a pilot in October 2005 in one community in Seattle. In this pilot, Washington leveraged the little used 50/50 funding option by leveraging community resources to match Federal SNAP E&T funds in order to develop a comprehensive job's-driven program. It began with one community college and four community-based organizations (CBOs). Knowing that these organizations are already serving low-income populations, the plan was to leverage each agency's current work and strengths to maximize the resources available to the Basic Food recipient; this would empower the client to achieve financial independence from public assistance.

Starting small gave Washington the time to prove the concept and develop the required plan and tools needed to effectively deliver the BFET services. The partnership held strategic planning meetings to intentionally and thoughtfully scale what had become a successful model into a statewide program gradually, as to make the service delivery and administration sustainable. Each time the program expanded to a new area of the state, infrastructure was built for support.

In Federal Fiscal Year (FFY) 2009, the BFET partnership included twelve community and technical colleges and six CBOs in four counties. The program grew to encompass all 34 community and technical colleges throughout Washington State within 5 years. As of FFY 14 BFET not only included the community and technical colleges, but also twenty CBOs in eighteen counties. Today, the BFET program includes all 34 community and technical colleges and 46 CBOs in 30 of the 39 counties within Washington State.

BFET Service Delivery Model

BFET leverages collaborative partnerships with state, educational and community agencies to provide services. These partnerships are formed under contracts between the Washington State Department of Social and Health Services (DSHS) and numerous agencies including the Washington State Board for Community and Technical Colleges (SBCTC), Employment Security Department (ESD), and several community-based organizations (CBOs). This collaborative partnership leverages each partner's particular strength. Community and technical colleges provide education and training to increase an individual's employability while ESD and CBOs assist the job ready individual in entering the job market. Many BFET Participants are co-enrolled with multiple agencies to maximize simultaneous BFET services.

[1] The Basic Food Employment and Training (BFET) program is Washington State's name for the Federal Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) program.

The BFET program uses the fifty percent reimbursement model to fund BFET services. This reimbursement model helps ensure sustainability because the program is not vulnerable to limited 100 % and allows for growth-based on each community's capacity to provide match funding. Since it leverages state, local and private funds, it increases existing capacity for colleges and CBOs. Finally, this funding model creates new funding streams for colleges and CBOs to pay for much needed support services while ensuring partnership because everyone has invested in the program.

Each partner agency is a BFET ambassador to the community, recruiting, assessing and placing Basic Food recipients in BFET activities. For example, we have many CBO partners who already work with vulnerable populations or homeless individuals and families. These agencies are able to use BFET 50% funds to bolster the programs they are already using to serve this population; therefore increasing the scope of services and number of participants they can reach and positively impact. This increases the presence of the BFET program and makes the program more accessible to all Basic Food recipients.

Program Highlights for FFY 2013–2015

Program Growth Over Last 3 FFY[s]

As more colleges and CBOs partnered with BFET, the number of participants served increase.

Year	Number of Participants
FFY 2013	16,246
FFY 2014	19,115
FFY 2015	20,583

Employment Outcomes

Washington State tracks the percentage of BFET participants who enter employment after participating in the BFET program.

Year	% Employed
FFY 2013	58%
FFY 2014	61%
FFY 2015	61%

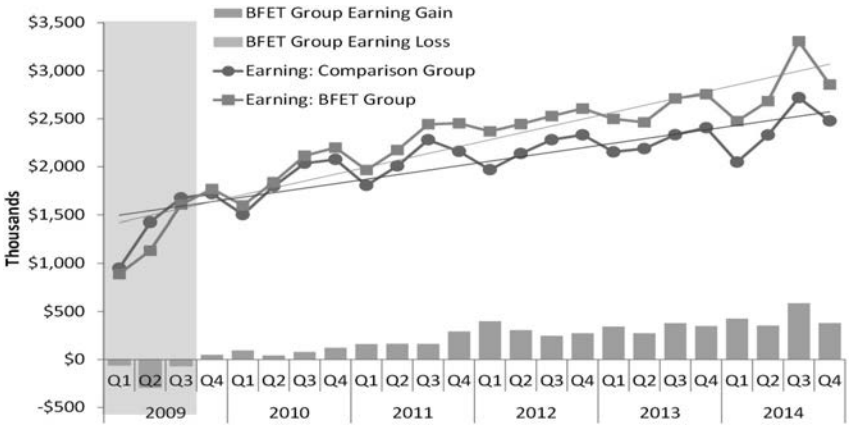
Wages

Washington State tracks the average median wage of participants employed after participating in the BFET program. Also tracked is the wage progression 1 year after participating in the BFET program.

Year	Starting Median Wage	Median Wage after 1 year	% of Wage increase
FFY 2013	$11.00	$11.97	9%
FFY 2014	$11.28	$12.37	10%
FFY 2015	$11.63	$12.97	12%

Comparative Study

Washington State completed a comparative study of 1,165 BFET participants who enrolled into the BFET between January and March 2009. This group was compared to a similar group of Basic Food recipients eligible for, but not participating in BFET. The study evaluated the earnings gain and loss of each group for 5 years. The study demonstrated that BFET participants increase their earning potential year over year in comparison to the Basic Food only group.



Coordinating with Other Employment and Training Programs

BFET is part of Washington State's comprehensive workforce development program. As such, BFET services are integrated with other employment and training programs throughout the state, such as Workforce Innovation and Opportunity Act (WIOA), Temporary Assistance for Needy Families (TANF), Employment Pipeline, Office of Refugee and Immigrant Assistance (ORIA), Limited English Proficiency Pathway (LEP), and Refugee Special Employment Needs (RSEN).

Workforce Innovation and Opportunity Act (WIOA)

The BFET program is a partner in the Workforce Innovation and Opportunity Act (WIOA) Combined state plan. At the local level providers integrate our services with those they are already providing as both WIOA and BFET service sites. BFET is recognized as a WIOA partner due to its increased services provided to Basic Food recipients not participating in the state's Temporary Assistance for Needy Families (TANF) program. These services include: job search, self-directed job search, job search training, educational services, skills training, and post-employment support services. BFET collaborates with the Workforce Training Board, ESD, and SBCTC to identify target and emerging industries, develop career pathways and credentials that will be available to participants.

Temporary Assistance for Needy Families (TANF)

DSHS has developed streamlined pathways for TANF recipients to transition to BFET to assist low-income families move toward long-term self-sufficiency.

Employment Pipeline

Employment Pipeline is a DSHS administered program available for individuals looking to find immediate employment. Employment Pipeline assists DSHS clients navigate the various employment and training programs and resources, assess employment need, complete referrals, and provide retention services. BFET and Employment Pipeline collaborate at the same community events to access resources.

Office of Refugee and Immigrant Assistance (ORIA)

BFET partners with ORIA to assist refugees and immigrants transition into Washington State's workforce. ORIA works in partnership with the BFET program to ensure that refugees access available employment and training services.

ORIA BFET program helps people receiving Basic Food benefits get jobs through voluntary participation in job search, training, education, or workfare activities that promote self-sufficiency.

Limited English Proficient Pathway (LEP)

LEP program helps refugees and parents receiving Temporary Assistance for Needy Families benefits to become employed.

Refugee Special Employment Needs (RSEN)

The RSEN program helps refugees with substantial barriers to employment receive intensive case management, social adjustment counseling, and employment placement services.

Local Integration

BFET's reimbursement model provides program flexibility to adapt BFET services into local employment and training initiatives. BFET partners are integrating their BFET services with stable housing initiatives and special population needs.

Sharing Best Practices

Washington State has had the opportunity to assist other states in developing and strengthening their SNAP E&T programs. Other state agencies, nonprofit agencies, and educational institutions have visited Washington State to learn how we started our BFET program, our service delivery model, our strategic planning group, and technology interface. We continue to be happy to provide this technical assistance to our peers nationally.

The BFET program hosts an annual training forum for our BFET partners. This venue allows for the sharing of best practices with partners, strengthening our coordination of services, and develops local partnerships. The training forum provides an opportunity for other state agencies to learn best practices from our local partners.

Seattle Jobs Initiative (SJI) through their Center of Excellence (a grant awarded recently) is directly assisting state agencies develop their SNAP E&T programs. SJI was one of the original four CBOs when Washington State started the BFET program. They have learned first-hand the best practices used in the BFET program and therefore well equipped to introduce BFET best practices.

Washington's SNAP E&T Pilot

Washington was one of ten states awarded a grant under the recent farm bill, and will be testing innovative approaches for work Registrants receiving SNAP. Washington's pilot, Resources to Initiate Successful Employment (RISE) will use a rigorous evaluation and randomization process to test effectiveness. The goal of the pilot's is to increase engagement of Basic Food work registrants in unsubsidized employment opportunities; increasing participant earnings; and reducing reliance on public assistance.

Washington's BFET program is an effective program, bolstering 70% employment outcomes. The pilot was created to focus on the 30% gap experienced by BFET clients who were not successful, due to the multiple barriers impeding their ability to obtain employment resulting in self-sufficiency.

Through the RISE program, we have contracted with 24 Community Based Organizations (CBOs), the State Board of Community and Technical Colleges, the Work Force Development Council) in each pilot county, the Division of Child Support, and the Employment Security Department. The CBOs and SBCTC will be providing direct services to RISE participants. The WDCs role is to create work-based learning opportunities. Lastly, ESD has been contracted to deliver a required training, Strategies for Success, which was created by DSHS, CBOs, the colleges and employers identifying various skills needed to be successful in employment and maintain self-sufficiency.

RISE Program Overview

The goal of RISE is to enhance Washington's current BFET program by adding a standardized approach to comprehensive case management (CCM), ability to attend training in soft/work skills referred to as Strategies for Success (SFS), and the opportunity to engage participants in Work-Based Learning (WBL) opportunities.

Comprehensive case management includes coaching, navigation and providing or referring participants to other services as needed. SFS trainings are instructor-led discussions, which include topics such as balancing work and life stress management, problem solving, and critical thinking, which assist with enabling individual's to deal effectively with the demands and challenges of everyday life. Case Managers conduct Assessments and create Individual Employment Plans to ensure for a successful pathway for participants. These additional services will assist clients in barrier resolution and gaining experience needed to become self-sufficient. RISE partners with the Division of Child Support, Alternative Solutions Program to ensure non-custodial parents are not arbitrarily penalized as they participate, and to reduce child support challenges.

Work-based learning can include unsubsidized and subsidized employment, preapprenticeships, work-study, internships, career exploration and development of a career pathway, and the integration of vocational skills and employability skills with on-the-job-training, community jobs, transitional jobs, and employer engagement.

The pilot operates in four counties: King, Pierce, Spokane, and Yakima and is available to SNAP work registrants who identify three or more barriers to employ-

ment and meet the target populations identified for the pilot, which are: homeless, veteran, limited English proficiency, the long term unemployed, and non-custodial parents owing arrears.

Washington anticipates providing pilot services to 14,000 participants over the 3 year grant period. Participants are randomly assigned to receive either RISE (treatment group) or BFET (the comparison group) services on a 50/50 ratio, with youth assigned at a 70/30 ratio. RISE is funded 100% for the pilot term, with the requirement that all providers work towards identifying a 50% non-Federal match yearly, to ensure sustainability of these services and a smooth transition to operating a BFET program.

RISE Pathway

The RISE pathway begins with comprehensive case management focusing on barrier reduction. As participants move towards the ability to engage in activities, assessments are completed and participant are registered in SFS training. Comprehensive case management (CCM) plays an integral role in supporting the client as they engage on their pathway to success. Once SFS is completed, case managers complete an Individual Employment Plan and progress to training, education or work-based learning and/or job search activities and co-enrollment in BFET.

The core services of the program are comprehensive case management, strategies for success, and work-based learning services. Secondary services include BFET services, to include: service coordination, navigation of financial and academic resources, job readiness training, job search, vocational education, and retention and career advancement services.

RISE Today

Providers continue to conduct outreach and marketing activities to engage potential participants. The RISE pilot has faced challenges in working with providers identifying potential eligible work registrants, initially due to DSHS's limitations in sharing client contact information. Recently, DSHS obtained approval to share a list of potential RISE participants.

With the first year coming to a close, the program has reflected on the importance of the CCM throughout the RISE pathway. Preliminary results have shown the effectiveness of the model in providing a solid foundation to assist on the path of self-sufficiency.

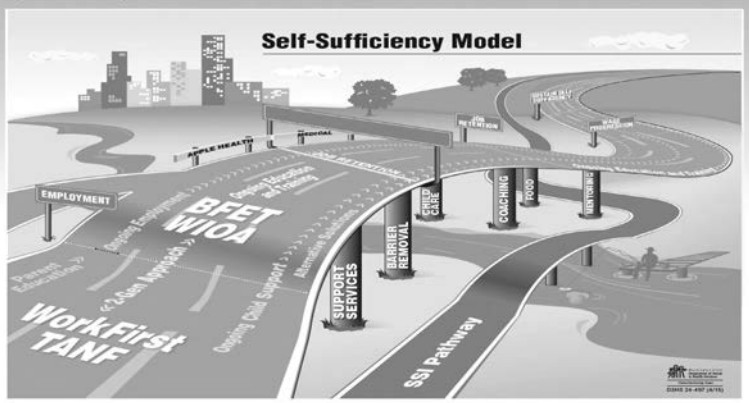
As we enter into year 2 of the RISE pilot, DSHS expects enrollments to increase, based on continued and more direct outreach by providers. We anticipate an increase in participants moving through the RISE Pathway and co-enrolling with the BFET program to obtain sustainable living wage.

POWERPOINT PRESENTATION

Washington State Department of Social and Health Services

Transforming Lives

Reduce the percentage of Washingtonians living under 200% FPL by 1/2 by 2025

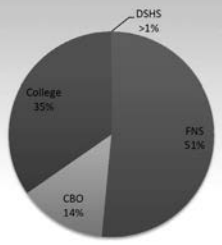


Washington State Department of Social and Health Services

Transforming Lives

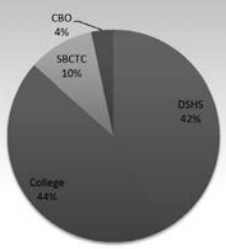
Funding for BFET

Source of BFET Funds

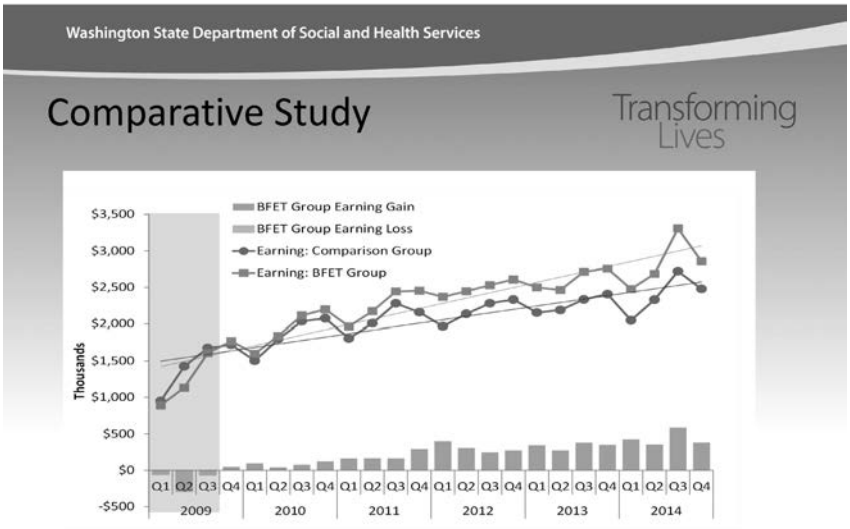


This represents average funds of $26,622,00 for FFY 2013 – 2015.

100% Fund Allocation



This represents average funds of $3,031,000 for FFY 2013 – 2015.



The CHAIRWOMAN. Thank you, Mr. Stillman.

Mr. Anderson, begin when you are ready.

STATEMENT OF JON ANDERSON, DEPUTY DIRECTOR, OFFICE OF FAMILY INDEPENDENCE, GEORGIA DIVISION OF FAMILY AND CHILDREN SERVICES, ATLANTA, GA

Mr. ANDERSON. Madam Chair, Members of the Committee, thank you for allowing me to speak to you about the receipt and use of this employment and training grant. Our Division believes that everyone that can work should work. We developed this grant proposal in coordination with our Georgia Department of Labor and local workforce investment agencies.

In our traditional employment and training program, we focused our efforts on able-bodied adults without dependent children, or the ABAWD population. Prior to a statewide waiver in 2009, we ran our ABAWD Program under the mandatory option. The old ABAWD Program was extremely cumbersome to administer. It took time to hire staff, train them, and let that staff gain proficiency in their jobs, and that usually coincided with the ending of the program in that county. And Georgia has always used the county-to-county-based approach.

These counties that we served were drastically different from year to year. This inhibited us from being successful in developing long-term relationships with organizations and community partners that could assist us with getting the ABAWDs employed, and most importantly, keeping them employed.

Our ABAWD placement activities at that time consisted mostly of in-house functions, such as filing, answering phones, janitorial services. Our focus was to get the ABAWDs to meet the work re-

quirement, and not get them into long-term employment that led to self-sufficiency. With long-term job placement in mind, we applied for this employment and training grant to more comprehensively assist our ABAWD population. We looked at how the medical community approaches comprehensive care management to find ways to address the source of why an ABAWD was not able to gain and sustain employment. We have several levels of assessment for each ABAWD, each assessment is validated and expanded upon to ensure that we have addressed all the barriers.

The barriers to employment must be addressed if we are to be successful in our goal of getting ABAWDs to self-sufficiency. These barriers include, but are not limited to, a lack of education, substance abuse, mental health issues, and others. We understand that these individuals need hands-on, coordinated, intensive services to address most or all of their barriers. We also knew that relationship development with other state and private organizations was key to the success of our pilot. We have worked diligently to develop these relationships within our pilot counties.

The importance of coordinated case management services to the success of an ABAWD cannot be underestimated. On the human side, it can be scary for some ABAWDs to make new relationships. Our customers develop professional relationships and trust with our staff. I receive an e-mail from one grant participant on Friday of last week that expressed her thanks to our staff. She described her anxiety and uncertainty of attending the program orientation. After attending the orientation, she felt inspired and now has a sense of hope about her future.

The grant has allowed us to target market trends and jobs that will lead to long-term, successful employment. Coordination with our technical schools and certificate programs are included. Initially, our grant was to serve those who have been unemployed for 12 or more months. We saw very quickly the need to expand that to any unemployed ABAWD was essential to our success, so we are now serving all ABAWDs that are selected for the pilot.

With the pilot implementation, we completed a phased rollout. As of July 1 of this year, all pilot counties are fully operational, and even though we are just a few months in, we are already seeing some great outcomes. We have been able to place 60 ABAWDs in a variety of jobs, some of them starting at $12 an hour, and some that go up to $20 an hour. One population that we did not anticipate to serve in our grant was drug felons. On July 1, 2016, Georgia removed the restriction of drug felons from participating in the SNAP Program.

Our Department of Corrections and Pardons and Paroles have some valuable re-entry programs, however, coordinating with employers that are willing to take a chance on a felon is problematic, leading to ABAWD to a dependency on SNAP. Thus far, we have been able to assist at least one parolee to gain a $12 an hour job, and is no longer receiving SNAP benefits.

In closing, I want to thank you again for this opportunity to speak to you, and the funding that you made available to states to try innovative programs like this, that will help us move more people to long-term employment and self-sufficiency.

Thank you.

[The prepared statement of Mr. Anderson follows:]

PREPARED STATEMENT OF JON ANDERSON, DEPUTY DIRECTOR, OFFICE OF FAMILY INDEPENDENCE, GEORGIA DIVISION OF FAMILY AND CHILDREN SERVICES, ATLANTA, GA

Georgia SNAP Works 2.0

A coordinated multi-agency assessment and case management delivery system.

This information is being presented for the purpose of providing testimony to the Members of the Agriculture Committee's Nutrition Subcommittee regarding the Past, Present and Future of SNAP: Innovation and Success in Employment and Training Programs.

Pilot Overview

Georgia was awarded $15 million as a grant recipient of the Fiscal Year 2015 Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort under the Supplemental Nutrition Assistance Program (SNAP) Grant Application. The Project, titled *Georgia SNAP Works 2.0: A coordinated multi-agency assessment and case management delivery system,* was written in partnership with the Georgia Division of Family and Children Services (DFCS), the Georgia Department of Labor (GDOL) and the Georgia Local Workforce Investment Agency (GLWIA) to provide services to Able Bodied Adults without Dependents (ABAWDs) in ten Georgia counties (See Map Attached).

Through this partnership, 2,500 mandatory participants in Georgia's Employment and Training Program (called SNAP Works) will receive coordinated case management services through an integrated system that is based on a medical HMO. Primary case managers work closely with secondary case managers (specialists in partner organizations), each applying their respective expertise to meeting the needs of participants and continuously sharing information and insights via a centralized web-based system.

The ten counties providing pilot services were selected based on their number of ABAWDs, and the location of SNAP Works offices relative to the GDOL and GLWIA location in the county, so as to limit transportation as a barrier to participation. Diversity of the client population was also a factor in selecting the ten counties. Georgia chose to operate in the second largest urban county in the state, several smaller rural counties, as well as three counties in the coastal region. The GDOL also researched the areas for the availability of high-demand jobs as well as proximity to a technical school for participants who may need further training before being able to accept employment.

For the purposes of the pilot, it was determined that approximately 2,500 individuals would be selected to be in the pilot services group, and approximately 2,500 in the control group as indicated by the Independent Evaluator. The target population was selected to be ABAWDs who are 18–49 years old and have been unemployed for more than 12 months. Furthermore, all of the counties selected to provide grant services were designated as mandatory for participation for ABAWDs residing in the project area. Georgia's E&T Program operated as a mandatory program until the economic downturn in 2008. When the program operated from 2009 to 2013 as a voluntary program, the participation rate fell below five percent. Concerns about the ability to attract clients to the grant operating as a voluntary program led to the decision for the pilot to be a mandatory program. In a mandatory program, clients are contacted by mail to attend an orientation. Those failing to attend are sanctioned from 1 to 6 months depending on the number of violations, if good cause is not determined. To successfully engage the numbers of clients needed to participate during the 3 year study, this type of outreach to clients, along with consequences for failure to participate, were deemed necessary.

Grant Objectives

The intent of Georgia's pilot project was to develop and test methods of employment and training programs, and services specifically designed to increase the number of SNAP work registrants who transition to unsubsidized employment, increase the earned income of work registrants, and reduce the reliance of work registrants on public assistance. The project design involves a mix of strategies that support rapid attachment to employment, including: three-tiered participant assessment and employment plan development, education and training, job search, intensive case management, community partner support services, rehabilitative services for individuals with barriers to employment, and other necessary services such as sub-

stance abuse treatment. This multiple strategy approach is intended to reach individuals with a variety of barriers related to chronic unemployment, such as low skills or limited work experience.

For the purposes of the grant, the following career pathways were selected: manufacturing, warehousing, transportation, medical, automotive, building maintenance and welding. In all of the selected areas, these industries have numerous training and job opportunities for a variety of backgrounds, interests and barriers. Many of the programs required for entry into the selected industry do not require a GED, and some do not require a background check. These career pathways were also selected because they are not exclusively entry-level and most pay above minimum wage. The original goal of the grant was to provide opportunities to clients to once and for all foster true and meaningful reduction of reliance on public SNAP assistance in the state, therefore the selected career pathways were intended to provide participants with a living wage of no less than $12.00 per hour.

Initially, Georgia DFCS SNAP Works case managers conduct a brief Participant Employability Assessment to confirm the participant as a mandatory work registrant as well as to determine whether participants meet the criteria for the grant. If selected, the participant will then be referred to GDOL case managers for primary case management. Each participant is assigned a GDOL primary case manager who guides the participant from beginning to end, while coordinating the efforts and inputs of all partner case management contributions.

Upon receipt of the referral from DFCS and the results of the initial assessment, GDOL staff conduct a second employability readiness assessment of the participant's skills, experience, education, credentials, work readiness/soft skills, and barriers. The primary case manager develops a customized Individual Employment Plan (IEP) for each participant, with the establishment of an occupational goal, a career path, potential barriers, and a mitigation plan for those barriers. If the GDOL primary case manager determines a participant is immediately employable, the customer will receive pre-employment and work readiness services as needed, and a staff-assisted and self-directed job search will begin. If the GDOL primary case manager determines the participant needs educational or training prerequisites prior to employment in the chosen occupation, the participant will be referred to the appropriate GLWIA for education and training services.

The GLWIA case manager guides the participant to successful completion of a training program as provided through the Georgia Technical College System and other approved Georgia education and training providers. They outline available training options within the participant's preferred career pathway and utilize DFCS and GDOL assessment results, including identified barriers, to drive the activities. After training is completed, the case manager will refer participants back to GDOL for job placement and advisement on employment options.

Pilot Update

Shortly after notification of the grant award, DFCS and GDOL project staff began meeting to ensure that the pilot was implemented as outlined in the grant application. This included development of participant workshops, hiring grant positions, developing a communication protocol between the agencies, developing training documents, as well as GDOL developing the web-based system used for case management documentation.

Additionally, we have been working closely with the U.S. Department of Agriculture (USDA) and its evaluation contractors, Mathematica Policy Research and its partner MDRC, to ensure the pilot has a strong study design. Training sessions were held for DFCS, GDOL and GLWIA case management staff beginning in November 2015. MDRC conducted training for grant staff on how to conduct random assignment in late January 2016. Shortly after receiving OMB approval, random assignments to the grant began in February 2016 in two pilot counties. Additional counties were added monthly with all ten counties operational by July 1, 2016.

Referrals to the pilot begin with DFCS inviting clients in the ten pilot counties to attend orientation. A report of mandatory ABAWDs is received weekly in each county and orientation letters are generated from this report. Each county has a monthly quota of participants required to volunteer for a chance to receive the enhanced services, based on the 5,000 total clients the pilot is to have served after a 24 month enrollment period.

A cornerstone of the evaluation is random assignment to either pilot services, or to the control group (regular E&T Program services), which will demonstrate the degree to which the pilot participants are successful in securing good jobs. Participants not volunteering for the pilot are still required to participate with the regular SNAP Works Program.

Attendance at orientation was initially low, with less than 10% participating, resulting in the majority of the pilot counties failing to meet the random assignment goal. This necessitated a request to change the original pilot target (only inviting ABAWDs unemployed 12 months or longer to orientation) to include to all ABAWDs regardless of the time unemployed. This change, along with implementing some outreach procedures to participants, such as placing phone calls to clients 2 days before orientation, has improved outcomes in all ten pilot counties and increased interest in the pilot. SNAP eligibility staff is required to discuss the ABAWD status in detail with clients at SNAP intake and case renewal as well as to provide information on the pilot.

With all ten counties fully operational and strategies implemented to attract participants and increase participation, in August 2016 DFCS met referral goals. Currently over ½ of recipients who have been selected to receive pilot services have attended their first GDOL orientation. Of these initial referrals, there are several success stories that would not have been possible without the pilot and the partnership of DFCS, GDOL, GLWIA and other pilot partners working together to secure a successful outcome.

1. Systemic Success Stories

An essential core of Georgia's grant is a case management 'primary care' approach, where critical community partners coordinate their respective services to address the employability of SNAP recipients. For example:

a. M.K. is a veteran suffering from behavioral and substance abuse issues that are negatively impacting his ability to search for—and obtain/hold—employment. Collaborative services from the GDOL, Veterans Services, and community substance abuse treatment are being coordinated by the SNAP program, to mitigate barriers to successful employment.

b. C.W. is a young lady with developmental and educational challenges, who has no work history. She is currently unable to pass prerequisite tests to enter post-secondary training opportunities. Collaborative services from DFCS, GDOL, Georgia Vocational Rehabilitative Agency and a local WIOA workforce partner are coordinating their efforts to secure a supportive and work-based on the job training opportunity.

c. Y.S. is a young man who was released from prison after being incarcerated for 7 years. Working with GDOL's knowledge of employers willing to employ people with a criminal background, the client was able to find a job shortly after joining the program with EmployBridge, making over $12.00 an hour and is no longer receiving benefits. With the network of partners afforded to him through this pilot, he is continuing to work on the barriers many prisoners face at re-entry.

2. Employment Outcomes

All grant participants receive pre-employment workshops and career guidance assistance from GDOL, and receive assistance creating and posting an on-line résumé in the Employ Georgia system. These résumés are searchable by employers and provide automatic job matches and alerts to both interested employers and the job seeker participant.

Below are just a few examples of employment outcomes gained through the collaborative efforts of the program. Given the early stages of this evaluation study, long-term analysis will continue regarding the wage career laddering growth of these and all participants.

a. J.J. obtained employment with Chenga Security at the CDC, working as an Asset Protection Officer, earning $20.45 per hour. She is an Army Veteran with prior experience in Human Intelligence Collection, a Bachelor's Degree in Criminal Justice and a Master's Degree in Forensic Psychology, all of which support this career path.

b. A.D. obtained employment with the Argos USA Corporation working as a CSR Field Technician, earning $15 per hour. She previously had 7 years' experience as a hospitality clerk, with only a GED certification.

c. C.C. obtained employment at Transportation Security Administration at Hartsfield Jackson International Airport working as a Transportation Security Agent, earning $14 per hour. She previously worked as a graphic artist instructor, with a Bachelor's Degree in Media Arts, but was interested in a career change.

d. C.W. obtained employment with Chime Solutions working as a Health Plan Specialist, earning $14 per hour. He previously worked various jobs as a

warehouse worker, baker and customer service representative, with a Bachelor's Degree in Culinary Arts. He is now most interested in pursuing a sales and customer service career path.

e. O.S. obtained employment with the Coca Cola Bottling Company as a Warehouse Associate/Forklift Operator, earning $13.62 per hour. He previously worked as a security officer and customer service representative. Having only a high school diploma, he sought a forklift operator's license to pursue employment in the high demand logistics career path.

f. R.C. obtained employment with Gainesville Fire Protection working as a Fire & Sprinkler System Assistant, earning $12.50 per hour. He previously worked as a sales representative in telephone communications.

g. D.K. obtained employment with Direct Hit Logistics (DHL) as a materials handler, earning @ $5,000 per quarter (@ $11 per hour). Having no high school diploma, she hopes to pursue her GED, and then continuing education as a forklift operator to progress in the logistics occupational path.

h. V.S. obtained employment with the DeKalb County Sheriff's Office as a Detention Officer, earning $2,507 per month (@ $14 per hour).

3. Education & Training

As envisioned by the grant, participants who are experiencing a credential deficit as an employment barrier are obtaining necessary education and training services in a demand occupational pathway.

a. A.M. has completed her first two certificates of completion for her Claims and Adjuster and Property and Casualty Agent pre-licensing courses, with one course remaining in Accident and Sickness Claims. Upon completion, she will be taking her State Licensing examinations.

She worked previously as a sales clerk, and has an Associate's Degree in computer systems.

At the time of this summary, this is a medium to high demand occupation in the Metro Atlanta area, with over 500 openings noted in the past year and an average annual salary of $46,580–$75,270.

b. O.S. (noted in the Employment Outcomes above), obtained certification as a Forklift Operator.

At the time of this summary, this is a medium to high demand occupation in the Metro Atlanta area, with over 540 openings noted in the past year and an average annual salary of $24,030–$33,710.

c. T.R. is currently attending a state technical college, pursuing Heating, Ventilation and Air Conditioning technology certification.

He previously worked as a warehouse pallet operator, and possesses a high school diploma with no post-secondary education.

At the time of this summary, this is a medium to high demand occupation in the Metro Atlanta area, with over 530 openings noted in the past year and an average annual salary of $32,020–$49,160 per year.

d. P.B. is just commencing activities at a local university, pursuing Digital Marketing credentialing.

He previously worked as a warehouse receiving associate and package handler, possesses a high school diploma with no post-secondary education.

With all counties currently operational, the very extensive data provided by the grant evaluator, Mathematica, is being used daily to analyze the progress in each of the ten counties to determine where the process is working well, where improvements are needed, and to suggest possible solutions. Very early analysis has shown that participants in rural areas still struggle with transportation needs despite being provided a monthly allowance, necessitating the need to find alternative resources. Grant partners have also met to discuss other ways to lessen the transportation barrier such as providing services in multiple locations as well as giving participants more options in scheduling activities to lessen the need to report to a GDOL office several days a week.

There have also been a few early findings that were not expected when the grant was submitted. For example, more than 50% of the participants possess a high school diploma or higher, with fewer needing education or a certificate before being deemed as work ready. It was anticipated in the grant application that more than ½ the pilot's participants would need to receive further training, adult education/GED or to obtain a certificate before being work ready.

Challenges

Georgia was notified in 2015 that several counties would no longer be eligible for the waiver exempting ABAWDs from the ABAWD time-limit on the receipt of benefits to three in 36 months if not participating in a work activity. Three of Georgia's 159 counties became time-limited, including Gwinnett County, one of the areas selected for the pilot.

Participation from the ABAWD population in E&T services in Georgia has been a challenge for many years leading to a high rate of clients sanctioned for non-participation. The implementation of the time-limit ABAWD program in Gwinnett County has necessitated changing the orientation in that county to include an enhanced explanation of rights and responsibilities, with many ABAWDs still not aware that participation in the grant will help them remain eligible for benefits while working with GDOL on the job search, or while attending an education or training activity. Fewer clients are attending orientations in Gwinnett, one of the counties that was expected to have a large number of participants seeking further training due to a robust technical school presence in the area.

Anticipating the level of participation per county and staffing appropriately has also been a challenge, along with staff turnover. Some of the smaller pilot counties have one case manager conducting orientations as well as meeting individually with participants. Adjustments had to be made to hire more staff than anticipated in some areas and to designate staff as floaters available to assist in multiple counties. This has presented an opportunity for information sharing between staff from partner agencies to regularly meet, talk about any issues and participant needs, and gain the knowledge needed to assist the partner agency if the need arises.

Conclusion

These early outcomes show the promise of this pilot for providing positive outcomes for the Able Bodied Adult without Dependents population in Georgia. In conclusion, this level of information sharing and skill-building among multiple partners is unprecedented and is providing lasting solutions needed to address barriers that have led to long-term unemployment and reliance on SNAP. Early indicators demonstrate that as the Georgia partners continue to collaborate and communicate, the pilot will afford much needed information on how best to serve the ABAWD population.

Georgia is grateful for the opportunity to participate in this pilot.

SNAP Works FFY 2017 Service Area E&T Pilot Grant Counties

Pilot Study Counties

Bulloch	Douglas
Chatham	Glynn
Cherokee	Gwinnett
Clayton	Henry
Dekalb	Rockdale

The CHAIRWOMAN. Thank you, Mr. Anderson.

Mr. Weber, please begin when you are ready.

STATEMENT OF PETER WEBER, FOUNDER, FRESNO BRIDGE ACADEMY, FRESNO, CA; ACCOMPANIED BY KIM MCCOY WADE, J.D., CALFRESH BRANCH CHIEF, CALIFORNIA DEPARTMENT OF SOCIAL SERVICES, SACRAMENTO, CA

Mr. WEBER. Madam Chair, Ranking Member, Members of the Committee, thank you so much for giving us the opportunity to provide this testimony. And, Congressman Costa, thank you for your kind introduction, and in particular for your devoted support of the Fresno Bridge Academy.

The Fresno Bridge Academy is a program of Reading and Beyond, a nonprofit organization in Fresno County. It has been operating since 2010. In 2012, Reading and Beyond partnered with the Fresno County Department of Social Services to focus its attention on lifting SNAP beneficiaries out of poverty, and to do so in a way that generates positive returns for taxpayers.

Prior to the start of the E&T pilot in January of this year, the Fresno Bridge Academy had enrolled more than 1,200 families in the program, and by the end of last year, we had graduated more than 800 of those families. About 75 percent of those families entered the program unemployed. The rest of them were underemployed. About 81 percent of academy graduates have achieved success, meaning that they either obtained employment or significantly increased their wage income if they entered the program unemployed. Eighty-five percent of those placed in employment retained their jobs a year later, and importantly, within 18 months of enrollment, 30 percent of those enrolled had achieved full self-reliance, meaning that they had over-incomed.

The Fresno Bridge Academy is a unique two-generation program that works with all members of a family to overcome any and all barriers to employment. I want to acknowledge that self-selection contributes to the success of the program. The Bridge Academy is an all-voluntary program. People don't have to enroll. They don't have to remain enrolled for the 18 month duration of the program. They do so because they are motivated to improve the prospects for themselves and their families.

Let me give you an example to help illustrate how the program works. When USDA Under Secretary, Kevin Concannon, visited the Fresno Bridge Academy in December of 2015, he met a family that was comprised of a man, for confidentiality purposes we will call him José, his wife, who we will call Maria, and two teenage sons. They were both unemployed, they both had criminal records. They had one car. José had to come to the Fresno Bridge Academy for the most part using his bicycle. Their children were struggling academically. By the time the Under Secretary met with them, the Bridge Academy had worked with José to get him trained as a warehouse technician, and helped him land a job as a forklift driver in a manufacturing company. We had worked with Maria to help get her criminal record expunged. We had worked with the two children. Both of the parents had undergone a number of life skills workshops, including how to manage a household budget while their public assistance dollars were diminishing. Now, that was 20 months ago. Today, José is still employed by the same company. He has received two promotions. He is now receiving a wage of $15 and change per hour in a county where the average wage is about $21 an hour. This is a job with benefits. The family is completely off public assistance. The oldest son just graduated from high school and has joined the Navy, and the youngest son has a 3.6 GPA.

We have 800 more success stories like that. And as Paul Harvey would have said, "And here is the rest of the story." For every taxpayer dollar invested in the Fresno Bridge Academy, the program is returning $5.50 back to the taxpayers. We know that because Fresno County contracted for the development of a cost-benefit

model that measures the economic impact of the program, not only on families but also on taxpayers. We call it the Fresno Bridge Academy ROI model. A document that describes the methodology used to do the ROI calculation has been delivered to your Committee staff.

And I realize I am running out of time, and so I am going to tell you more about the E&T pilot during the Q&A portion of the hearing.

[The prepared statements of Mr. Weber and Ms. McCoy Wade follow:]

PREPARED STATEMENT OF PETER WEBER, FOUNDER, FRESNO BRIDGE ACADEMY, FRESNO, CA

Reading and Beyond's Fresno Bridge Academy has demonstrated its ability to help families move from public assistance to self-reliance since 2010. In 2012, it partnered with the Fresno County Department of Social Services to focus primarily on SNAP beneficiaries (formerly food stamps, a.k.a. CalFresh in California). The need for services as described in this document has increased significantly since the start of the Great Recession. The SNAP Employment and Training (E&T) program has served as our primary source of funding for delivery of services to help SNAP beneficiaries obtain employment, boost wages and transition to self-sufficiency.

Between May 2010 and December 2015, the Bridge Academy enrolled almost 1,200 families. As a result of being awarded a USDA grant to become one of ten nationwide SNAP E&T pilots to help inform public policy on how to increase wage income and self-sufficiency, recruitment has significantly accelerated. More than 1,500 families have already been enrolled in 2016 to participate in the pilot.

The Fresno Bridge Academy has been effective in employment placement and job retention among adults who are most in need. Since the Bridge Academy's launch in May 2010, more than 80 percent of participants have attained and retained new employment and/or significant wage progression. This success rate allows about 30 percent of families to achieve self-reliance by the time of graduation from the 18 month program.

The Fresno Bridge Academy has achieved high cost-effectiveness by partnering with organizations that provide an array of services needed by families to overcome barriers. The model is based on eight core principles:

- ***Dual-Generation Theory of Change.*** The entire family is enrolled—all the adults and children living in the home.
- ***Comprehensive Wrap-Around Services.*** In addition to job training, assistance obtaining a GED and help with job placement, adults in the family are provided a wide range of life skills, and children in the family are mentored and tutored.
- ***Mentorship.*** Every family is assigned a *Career and Family Navigator* who stays with the family from date of enrollment until program completion.
- ***Place-Based.*** Bridge academies are located in neighborhoods of concentrated poverty to deliver services where people live.
- ***Integrated.*** The FBA has achieved high cost-effectiveness by partnering with organizations that provide an array of services needed by families to overcome barriers. The FBA has a network of more than 175 service providers that offer a wide range of services to participating families. It has helped place its graduates with more than 200 employers.
- ***Jobs With Upward Mobility.*** The FBA subscribes to what it calls an "A–B–C" approach, helping heads-of-household obtain the education, training and life skills needed to get *A* job, then a *B*etter job, then a *C*areer.
- ***Evidence-Based.*** The effectiveness of FBA interventions has been validated by respected researchers from across the nation.
- ***Outcomes-Based.*** The FBA rigorously measures income gains, job retention and attainment of self-reliance for its participating families, as well as program ROI for taxpayers.

The Fresno Bridge Academy is the first E&T Program in the nation to build a cost-benefit model that monetizes the social benefits of the interventions provided. A document providing a detailed description of the methodology used to determine

ROI has been delivered to staff of the House Agricultural Committee. The model uses standard economic discount rate techniques; cohort comparison analysis; publicly available data on the benefits of certain interventions; and, reasoned assumptions about the causal effects of improved outcomes and how long impacts are expected to persist.[1] As an illustration, for the FBA Class that graduated in March 2014, every $1 spent on the program generated total benefit of $22.28, with $16.78 of the benefits going to the participating families and $5.50 going to taxpayers.

The Fresno Bridge Academy is successful because of its commitment to research-based and evidence-based practices. The Fresno Bridge Academy components have been validated by researchers from Chapin Hall at the University of Chicago (2012). Four specific characteristics of successful workforce development programs were uncovered by these researchers, including the following: (1) providing support services and case management; (2) flexible programming and service delivery; (3) family engagement in programs; and (4) focusing on the quality of job placement.

Research conducted by *The Center on Budget and Policy Priorities* also supports the Fresno Bridge Academy model. These researchers conducted a scan of common characteristics across effective E&T programs or approaches, which include providing education or remediation to allow individuals with low educational levels to access industry-specific training programs; individualized, hands-on-work to build life-skills (setting goals, time management, making good decisions, stress management, *etc.*); and, provision of supportive services (transportation and flexible funds to help purchase items to help individuals work or look for work). All of these elements are embedded within the Fresno Bridge Academy model.

In a more recent study by the Annie E. Casey Foundation (2014), researchers investigated the effectiveness of a "two-generation approach" (also known as "dual generation approach") in helping families achieve economic self-reliance, which is the basis of the Fresno Bridge Academy model. Researchers discovered that some of the Federal and state programs designed to help low-income families overcome their daily challenges operate in isolation from one another; and that these programs focused on either the children or parents, but not both. This study details the three key components of a two-generation strategy, all embedded within the Fresno Bridge Academy model: "(1) Provide parents with multiple pathways to get family-supporting jobs and achieve financial stability; (2) Ensure access to high-quality early childhood education and enriching elementary school experiences; and, (3) Equip parents to better support their children socially and emotionally and to advocate for their kids' education."

Due to the success of the model, the Fresno Bridge Academy was selected as one of ten national SNAP E&T pilots to significantly scale-up services and test innovative strategies that may speed the process of families attaining self-reliance. The Fresno Bridge Academy has been expanded from three to nine sites and will now be able to serve more than 2,000 additional families. The Pilot Program targets work registrants in specific urban and rural populations of Fresno County that are comparable to those of the neediest counties in California; moreover, these areas exhibit both a high rate of poverty (more than 20%) and unemployment (more than 8%).

The Fresno Bridge Academy's SNAP E&T Pilot Program builds on the traditional Bridge Academy Model, adding the following interventions:

1. **Wage subsidies.** Although we only offer wage subsidies for employers willing to hire the hardest to employ, or to employers offering premium wages, we thought the program would benefit by having some ability to compete with the TANF program, which offers wage subsidies.
2. **Education Navigators.** Many of the people we serve do not have high school diplomas or GED's. We have found that traditional GED programs are too slow and impersonal. We have an in-house, highly individualized program that enables our participants to get their GED's much faster. And those same navigators help support the vocational training of our participants.
2. **Incentives.** The Bridge Academy is an entirely voluntary program. SNAP beneficiaries are not required to enroll and don't have to remain enrolled for 18 months. We find that participants will sometimes want to drop out of the program after they have been placed in a job. We want them to stay enrolled, so we offer them a small cash benefit payable only if they complete the 18 month program. And we offer them a small cash benefit for every unit of instruction they complete to continue to upgrade their skills after they have been placed in employment.

[1] ROI assumptions (including Causal Percentage and Fadeout Factor) were determined based upon the review of ROI models and research studies which employed similar methods.

The program conducts an in-depth assessment to determine the participant's appropriate "pathway" or case plan and potential family needs that may be a barrier to sustained employment. Once the participant's case plan has been developed they will be placed in one or more (typically more) of the following activities:

1. Education

a. Academic support geared to assist participants in obtaining their GED or High School Diploma and/or Associate's or Bachelor's Degree.

b. Structured activities designed to improve language proficiency, math and reading skills, digital literacy, test taking skills, and other subjects depending on the needs of the participants.

2. Job Training

a. Following an assessment process, participants are enrolled in vocational training suited to their aptitudes and interests and for jobs that are available in the local economy.

3. Job Search

a. Group and one-on-one soft skills development including résumé preparation, cover letter writing, interviewing strategies, up-to-date job search techniques, *etc.;*

b. Direct assistance with job search and applications including identifying best company and positions matches based on their hard skills and interests.

4. Wraparound Services

a. On-going case management conducted by Career/Family Navigators.

b. Additional topics to be addressed: nutrition, health, civic engagement, parenting, housing, Earned Income Tax Credit (EITC), financial literacy, and financial management.

c. Resolution of various employment barriers including; childcare, transportation, clothing, tools, work licenses, housing, and enrollment among others.

d. Mentoring and tutoring of children, particularly to help them read and do math at grade level, get exposure to the arts, and show up for class.

5. Subsidized Employment

a. Subsidized employment will be provided to approximately ⅓ of participants to encourage employers to hire the hardest to hire SNAP recipients, or to employers offering premium wages.

In order to enhance upward mobility of participants, the pilot program will partner with training organizations to offer more career ladder programs in the evenings and weekends. A partnership with the Fresno County Economic Development Corporation is in place to assist in placing participants in high-wage, high-demand occupations in high-growth industry clusters. Participants will be offered incentives to continue to upgrade their skills after first employment. The program will provide 1 year retention monitoring to ensure sustainability of outcomes and participants will be provided incentives to retain contact with Career & Family Navigators.

The Pilot participants are being recruited and enrolled over a period of 18 months that started in late January 2016, and families will remain enrolled for approximately 18 months, with total Pilot duration of 36 months. In accordance with a protocol developed with Mathematica, the program evaluator contracted by the USDA Food and Nutrition Services Agency, participants are assigned to one of three groups:

➢ One group will receive the standard Bridge Academy services;

➢ The second group will receive the enhanced services described above; and

➢ The third group will receive no services.

Outcomes will be evaluated against a similarly sized control group with comparable demographic characteristics. The Fresno Bridge Academy's SNAP E&T Pilot Program is aimed at overcoming past obstacles to attainment of self-reliance and at heightening the program's ability to achieve two overarching goals: (1) Participants are self-reliant and no longer receiving SNAP benefits, and (2) Family quality of life has improved. Specifically, the primary goals of the pilot program are as follows:

- Replicability will be demonstrated by expanding to six urban neighborhoods and three rural communities in Fresno County.

- At least 75% of the participants in the program will obtain and retain employment or receive wage increases at least 50% higher than the then-current rate of inflation;
- At least 45% of the participants will achieve self-reliance and will no longer be eligible for receipt of SNAP benefits; and
- The pilot will produce a minimum 4 to 1 return on investment to taxpayers, *i.e.,* for every $1 of taxpayer funds expended, the pilot will produce a verifiable reduction of $4 in taxpayer outlays for SNAP benefits and an increase in the income taxes paid by the program participants.

PREPARED STATEMENT OF KIM MCCOY WADE, J.D., CALFRESH BRANCH CHIEF, CALIFORNIA DEPARTMENT OF SOCIAL SERVICES, SACRAMENTO, CA

California is moving to significantly expand both the quantity and quality of Employment & Training (E&T) services offered by the 58 county human services agencies to the 4.4 million participants in SNAP (known as CalFresh). The state, the counties, private service providers, employers and other workforce stakeholders are working in partnership to assist more participants than ever before in obtaining good jobs, securing better wages, and attaining careers that lead to self-sufficiency.

SNAP E&T Priorities: A total of 33 of California's 58 county human services agencies, serving the majority of the state's SNAP E&T eligible population, plan to offer a voluntary SNAP E&T program in the upcoming Federal fiscal year, up from 25 counties in the current year. The California Department of Social Services (CDSS) is prioritizing three strategies to support and strengthen California counties' SNAP E&T programs:

1. **Outcomes.** CDSS is focused on measuring outcomes for participants by strengthening reporting systems throughout the state. To this end, CDSS will facilitate the collection of employment and wage data for SNAP E&T programs through a new data sharing agreement with the California Employment Development Department (EDD). This agreement is in part a result of the existing outcome measurement efforts of counties like San Francisco, which in tracking 752 participants found that: 46% have earnings 18 months after exiting E&T; 53% are no longer receiving SNAP benefits at that point; and overall, there is a 123% increase in earnings from 6 months pre- and 6 months post-E&T participation. CDSS is also exploring the possibility of joining a centralized, statewide data-matching workforce hub that may be accessed by local and regional workforce boards, SNAP E&T programs, and other workforce programs to support accurate, comprehensive data collection across this sector.
2. **Comprehensive Job-Driven Approach.** California counties are weaving together job training, especially vocational and certificate programs; barrier removal; and case management to deliver effective workforce services to SNAP participants that lead to better jobs, wages, and careers. As an example of this effort, CDSS and our county partners are forging a new partnership with the state's workforce development system, as many priority populations, services and outcomes align with SNAP E&T. CDSS also has been chosen as one of ten states to participate in the "SNAP to Skills" program administered by the USDA Food and Nutrition Service. SNAP to Skills provides multifaceted technical assistance in the design and development of better and stronger job-driven SNAP E&T programs. These models provide for tailoring to the local and regional job-market—both to the employment sectors and to the employee population, including special populations like veterans, those recently released from prison, and first generation college students.
3. **Public-Private Partnerships to Deliver E&T Services.** Next fiscal year, California's 33 SNAP E&T counties will contract with more than 40 organizations across the state, most of which are nonprofit agencies. Over 20% of county E&T budgets are for these contractual services, an increase of $7.8 million over the current fiscal year. Many contracts are for third-party reimbursement programs, which are programs operated by non-government providers that self-fund at least ½ of their costs to serve the SNAP population and receive the available Federal match. Under this model, Fresno County is participating in the national, ten site pilot with Reading and Beyond's Bridges Academy. Other counties are piloting an innovative third-party intermediary model known as "Fresh Success:" under this model, Sacramento and Santa Clara counties are partnering with their local community colleges and

Contra Costa County with a local nonprofit organization to deliver E&T services.

Recommendations: Based on the experiences of CDSS and the counties operating and expanding SNAP E&T, we respectfully recommend for the Committee's consideration:

1. **Further Alignment between Workforce Investments,** such as those funded through SNAP, Temporary Assistance to Needy Families (TANF), and the Workforce Innovation and Opportunity Act (WIOA), to deliver unified services to our families and streamline administration, reporting, and service delivery.
2. **Allow E&T Wage Subsidies to Engage More Employers,** especially to encourage taking a chance on more vulnerable employees. San Francisco County's JOBS NOW! uses local funds to partner with private employers to great success. Allowing SNAP E&T funds to be used for subsidized wages would allow more counties and more employers to participate.
3. **Continue 100% and 50/50 Match Funding** to ensure high-quality services, rigorous outcome measurement, and effective oversight.

Work Success Stories: The state, counties, private service providers, employers, and other stakeholders are working together with USDA to provide rigorous outcome data. Equally compelling are the individual stories of graduates of SNAP E&T programs, like this one from San Francisco:

Hello, my name is Denise Baker and I'm fifty years old. I was born and raised in Oklahoma City. I came from a middle class family of six. I didn't have it rough growing up. I came from a family who valued morals and ethics. But when I became an adult, I chose the wrong path in life chasing the cares of this world and going down the wrong path knowing right from wrong. And yet, I chose to be a part of the wrong crowd.

Because I chose wrong ways, it took me to places I didn't want to be in like jails and prison and that became my way of life for the next 27 years. It was then when I hit rock bottom because of the vicious cycle of drug use that I couldn't seem to change my life in an atmosphere that was unhealthy for me that I became suicidal. And before I could carry it out, I heard a voice inside me saying, "Call your daughter who lives in California!" So I did. I told her what was going on in my life and I needed to change. She sent for me and from that very moment, my life changed forever! She brought me to a place in San Francisco in hopes to find help for me, and she did. Here is where hope became possible.

I applied for General Assistance and SNAP benefits and the job resources became unlimited! I started participating in SNAP E&T activities and heard about the JOBS NOW! program. The UCSF EXCEL internship program is part of the wage subsidy tier of JOBS NOW! After being accepted to the program I participated in a 10 week classroom skills training with one of the E&T training providers, and learned how to use Microsoft Office, professional communication, and improved my public speaking skills by presenting on topics to my classmates.

After completing the skills training, I started a 4 month subsidized employment internship with the UCSF Medical Center. After completing my internship I was offered a full-time temporary position with the UCSF Medical Center Human Resources department. I am responsible for turning paper into digital and I love my job and the people I work for and with. It has been very rewarding for me to be a part of a society of working people.

Through this experience I have a new-found respect for people who work hard every day to provide for their families while also helping others improve their work skills. Thanks to programs like SNAP E&T and JOBS NOW!, I now believe in myself and know that I am employable and can become a productive member of society by doing the right thing because it's the right thing to do!

Thank you for taking a chance on someone like me who didn't believe that I could be a success story. I am doing great and I'm still employed with UCSF Medical Center to this very day. There are so many people who have not been given this opportunity for change. I feel programs like SNAP E&T in San Francisco help a lot of people come out of their rut and low to no income situations.

Thank you for including the California Department of Social Services, our counties, our clients, and our partners in this important discussion of Employment and

Training opportunities, so more participants in SNAP can achieve better jobs, wages, and careers.

The CHAIRWOMAN. Thank you. Thank you, panel.

We understand that each state operates a SNAP employment and training program. Can you three just quickly talk about each of your states' core E&T program, and what services are offered across the state, including how you engage recipients to begin with? Mr. Stillman, I will just start with you, if you could quickly summarize that.

Mr. STILLMAN. Thank you very much for the question, Madam Chair.

The core of the program really is focused through a partnership with community-based organizations and community colleges. In Washington State, we were very fortunate in the mid-1990s to have some very creative folks who came together in the Seattle area to build a relationship between the nonprofits, community-based organizations and the community college, to meet a need for clients who were leaving TANF, still on food assistance, and our mantra is, "Get a job, keep a job, earn more money." In that context, they were leaving public assistance but not really succeeding in terms of having a livable wage job. So our legislature and, of course, with the support of Federal funding, we took the opportunity to spread that across the entire state. The core of our program is in each and every community college with foundational relationships, and with the community-based organizations and nonprofits.

The CHAIRWOMAN. Thank you. And, Mr. Anderson, and, specifically, how do you engage recipients?

Mr. ANDERSON. We engage our recipients, we send out letters to them, and we have orientation that they come in and we explain the workfare program and how to comply with that. We have one county where we have a contract with our Goodwill that has ten certificate programs that can help employees get to jobs that can help them gain good, long-term employment. It is voluntary, so participation in the voluntary program is disappointing to us. We started, for example, in the beginning of January 2016, we had 6,100 ABAWDs participating in the three counties that we were operating in, and at the expiration of the 3 month time limit we were down to 2,590 that were actually participating in jobs or workfare that could allow them to continue to receive benefits.

The CHAIRWOMAN. I appreciate it. Mr. Weber, can you also discuss your core program and how you engage recipients?

Mr. WEBER. Sure. We are place-based. We have nine academies within Fresno County. The county Department of Social Services gives us the contact information for every single SNAP beneficiary within those neighborhoods. We then call them, invite them in to a meeting in which we discuss the program with them, and then enroll those who are interested in signing up for what is an 18 month program.

The core services are comprehensive. We provide everything from education support to employment training, to life skills training, and we also engage the children. We have a separate source of funding to engage the children so that we are addressing the family holistically.

The CHAIRWOMAN. I appreciate it. Mr. Anderson, just a real quick follow-up. We know that each state can require mandatory participation of SNAP recipients subject to the work requirements, however, the majority of states offer voluntary participation. What factors did Georgia consider when implementing mandatory participation in both the core E&T program, as well as to test mandatory participation in the pilot projects? Can you speak about that?

Mr. ANDERSON. Sure, I would be happy to. Traditionally, we ran the program pilot in 2009 as a mandatory program, and participation even at that time our success rates were fairly low, just because we didn't have those coordinated services to address all the barriers that the ABAWDs may need. In 2009, we switched over to a voluntary program as all states received a waiver with that, and we are beginning to see in those areas that there was a need to change our focus to not just helping get to the work requirement to more helping them become self-sufficient, find jobs that could become self-sufficient. As part of our grant, we were able to look with our other partner agencies that focused on work to try to find ways in emerging market trends and jobs that would be coming available for these types of individuals that don't have college degrees, to get certificate programs or some vocational training that can help them get into good-paying jobs.

The CHAIRWOMAN. And then just quickly, how do you interface, Mr. Anderson, with TANF, for example?

Mr. ANDERSON. With the TANF Program, we currently separate, we have siloed thinking on that. Our TANF Program focuses more on families with small children, and trying to help the pregnant women and parents with small children get employment. And then on the E&T grant, we have always focused on the other side of the population; those adults that don't have children, to try to focus in that area. They have had siloed thinking in the past. We have started thinking more about, as we look at the employment services side of it, a lot of the basic job responsibilities and functions are similar on developing resources, and trying to help individuals address barriers.

In one of our pilot counties, we have started looking at combining the supervision, not mixing the responsibilities of the actual employee, but combining the supervision of the TANF employment services staff with the pilot county employment and training staff so that we are maximizing our resources in both programs.

The CHAIRWOMAN. Okay. I appreciate it.

I will have to stop you there. I now recognize Ranking Member McGovern, for 5 minutes.

Mr. MCGOVERN. Thank you. This is to Ms. McCoy Wade or Mr. Weber. As you know, SNAP has a 3 month time limit for adults not raising minor children. If those individuals cannot find a job or a qualifying job training program within 3 months of receiving SNAP then they are cut off. States can waive the time limit in areas with high unemployment. California is currently taking advantage of the waiver. Presumably, that has been important, since some parts of your state continue to have unemployment that exceeds ten percent.

Now, some in Congress have called to end the waivers altogether. What would that mean for California? Do we provide you with

enough funding to create qualifying work slots for this group, and can they find them elsewhere, or would some individuals who are willing to work be cut off from food assistance?

Ms. MCCOY WADE. Thank you, Congressman, for the question. Yes, in California, we are anticipating the end of the waiver in parts of the state in about 18 months, and we are engaged in a lot of planning on that because we do think the rule would be very harshly felt by families. And it is very complicated, frankly, to administer and administer accurately.

No, we do not have enough jobs and enough job training and enough job slots. We are currently very excited that about ½ of our counties currently have a voluntary E&T program, and as of October, eight more are coming on. So we are growing our capacity, but not nearly enough to meet the hundreds of thousands of folks in California who are working and are looking to improve their skills.

Mr. MCGOVERN. Now, some of my colleagues have called for TANF-style work requirements in SNAP. Could we accomplish the kinds of innovative programming that you provide under a TANF work requirement framework in SNAP, what do you think of that approach for the SNAP Program?

Ms. MCCOY WADE. Well, we are learning from our colleagues in Washington that the best approach really is to put skills and training at the front of the line, and give folks that work experience that allow them to have a long-term, life-changing path to better wages and a better career. So that is the model that we are going for. What is the assessment up-front, that case management, that barrier reduction that puts them on a path to sustainability.

Mr. MCGOVERN. Yes.

Mr. WEBER. If I may add to that, Congressman. And this is a perspective from a businessperson. I am a retired CEO of a couple of companies.

I would rather hire somebody who wants to work, rather than somebody who is being forced to work.

Mr. MCGOVERN. Yes.

Mr. WEBER. I would also suggest from a taxpayer perspective that an investment in developing the skills and capacities so that people can get a job and sustain that job over time, is a very important consideration for this Committee.

Mr. MCGOVERN. Thank you. Let me ask another question. Ms. McCoy Wade, Mr. Weber, or Mr. Stillman. Low-income adults can face a lot of challenges to finding a job, or finding a job with advancement opportunities. Two of the biggest problems I hear that people have are with transportation and affordable child care. Without those in place, even skilled workers can find it hard to take and keep a job. Can you tell me if these are real concerns for your clients, and give us some examples. And SNAP E&T gives states Federal matching funds to provide transportation and child care for people in job training programs. Is that important and could we do more? What would you recommend to Congress on that front?

Mr. STILLMAN. I could not recommend more highly the utilization of resources to address transportation issues. After housing, transportation is really the second highest cost barrier to a struggling family living in poverty or living on low wages. And it is really

critically important that we consider those challenges. Even in a place like Seattle which has some wonderful public transportation, going north and south is great, going east and west is not. And so we have to take into consideration, even in a community like that where we can see the benefits of mass transportation, that there are transportation challenges that exist for our clients.

I will finish by saying I was remiss in not talking about how many clients we have: 21,000 clients avail themselves in Washington State, and one of the ways we do address that is through having an integrated service delivery system. So the child care, for example, that you referenced, I completely agree that it is necessary for families to have access to child care, along with all the other supports. Fortunately, in Washington State, we deliver those services relatively seamlessly in an intake process that includes TANF, SNAP, child care, and even some of our Medicaid Programs. So we have the opportunity to interface with our clients in a single setting, and then plant the seed, if you are on TANF but leave TANF, don't forget there is SNAP E&T in your future.

Mr. MCGOVERN. Mr. Weber, Ms. McCoy Wade?

Mr. WEBER. Yes, thank you. I would concur with that. Let me explain that in Fresno, we have nine sites; six of them urban, three of them rural. Particularly, in the rural communities, transportation is really, really critical because the availability of jobs is constrained.

As to child care, it is the single funding issue that we struggle with the most. It is a real problem.

Mr. MCGOVERN. Thank you. Thank you.

The CHAIRWOMAN. Thank you. Congressman Benishek, you are recognized for 5 minutes.

Mr. BENISHEK. Thank you, Madam Chair.

Mr. Weber, I was kind of interested in this multigenerational thing of how you engage the whole family. What are you doing with the kids?

That is the first thing that popped into my mind.

Mr. WEBER. Yes. When a family is enrolled with the Fresno Bridge Academy, we do two assessments. One assessment is of the head of household, to see what kind of vocational training, what kind of education they need. A lot of these people don't have high school degrees, so we have to do GEDs, and so on and so forth. Then we try to connect that to jobs that are available in the current economy. What are their aptitudes, interests, what vocational training can we deliver to them. The second assessment is of the family as a unit. What are the family's issues and needs? And with regards specifically to the children in the family, our focus is primarily on four indicators. Are they reading at grade level, are they doing math at grade level, are they getting exposure to the arts, are they showing up for class? If they are not, then we will work with them. We'll refer them. We have referrals. We work with 175 different service providers in Fresno County to deliver all kinds of services to adults as well as to children.

Mr. BENISHEK. Like making sure the kids get to school?

Mr. WEBER. We work to make sure that kids get to school. Let me explain, Congressman, that our first conversation with a family that has children is always about the children. It is about the chil-

dren and how they are doing, because in the end, we have to motivate the adults in the family to want to work. And if you are going to motivate them to work, the best way to do that is by encouraging them to think about the future of their kids. And then you turn the conversation to how do we help you become the best possible role model for your children. That is our approach.

Mr. BENISHEK. And that seems to work then?

Mr. WEBER. It works very well. More than 80 percent of our families are finding success.

Mr. BENISHEK. These are the people that come to you though. They pretty much have to come to you?

Mr. WEBER. We call them and then invite them to an orientation meeting, and then explain what the program is. We ask them to make a commitment for 18 months. Now, we generally place them in jobs, most of them, within the first 6 months, but we stay with them because we want to make sure that the outcomes are sustained.

Mr. BENISHEK. How many people, that you contact, end up participating in the program?

Mr. WEBER. It is a difficult question to answer because we get the contact information from the county. We make the calls and then oftentimes the numbers are no longer good, the people aren't there——

Mr. BENISHEK. What about the people that actually show up for one visit, how many of those people end up participating in the program?

Mr. WEBER. About 77 percent of the people who come to our orientation meetings signed up.

Mr. BENISHEK. Well, no, I appreciate your work in this, and, frankly, having a private-public partnership, to me, is really the way to go because with most of these comprehensive services, there are people in the community that are better attuned to helping those folks than the feds, frankly. So I really appreciate the work that you are doing, and the opportunity to learn more about it.

So what is the obstacle for doing this more widely through the state? Is it simply the funding? Is most of your funding then coming from the E&T funds that are provided?

Mr. WEBER. We are funding-constrained. We think that we ought to be able to do what we are doing. We are currently expanding, well, we have expanded into a second county. We are going to expand into two more counties in October of this year.

Mr. BENISHEK. So how much money exactly are you spending then in Fresno? What is the amount of your spending to do this program you are talking about?

Mr. WEBER. This is going to be probably a little extraordinary, but our cost per family is $1,800 per family over 18 months. The reason we are so cost-effective is because we access every possible service available to families through other organizations, through community colleges, through the ROP Programs, through the WIOA, through countless nonprofit organizations. One of our eight core principles is we don't duplicate anything that already exists. So we are very, very cost-effective, and that is the reason we are able to produce such a high return for taxpayers on the investment of taxpayer dollars.

Mr. BENISHEK. All right, thank you very much, all of you, for your testimony today. And, Mr. Weber, I am out of time. Thanks.

Mr. WEBER. Yes, sir.

The CHAIRWOMAN. Thank you. I recognize Congresswoman DelBene, for 5 minutes.

Ms. DELBENE. Thank you, Madam Chair. And thanks to all of you for being with us today.

I get to brag a little bit about my state today because Washington State has really been a true leader in E&T programs. In May 2013, I introduced the Enhancing Employment and Training Through Education Act, a 3 year competitive grant fund to encourage states to provide targeted employment and training programs, similar to what we have had in Washington State. We had a very successful program called Basic Food Employment and Training, what we call BFET, and this bill was the basis for the SNAP E&T pilots that were in the farm bill.

As many know, E&T programs differ widely in participation and success, and even at the height of the recession, 60 percent of those enrolled in Washington's BFET Program found employment, and in one study less than ½ remained on government assistance 2 years after the program. This is the kind of success that Washington State has produced, and the kind of success we are all hoping to see in these pilots. Helping people find good-paying, long-term employment in a high-demand industry is the best way to ensure that everyone has access to economic opportunities.

And these investments we make not only have an incredible effect on our economy, but also on people's lives, so I thank you so much for all of the work that you are doing.

Mr. Stillman, you talked a little bit in your testimony about this, but can you expand on what we have learned from the BFET Program, the original program, that informed the new pilot program that we have, RISE, and what you look forward to learning from RISE that we can use, going forward?

Mr. STILLMAN. To reiterate just a bit, what we have learned from the original program is that community engagement matters, and the phrase that I used earlier, "Having skin in the game," matters. So those are things that bring together that alchemical combination of local partnership, local educational partnership, local community-based organization partnership, employers and industries in a way that is completely different than a top-down-administered program. And it is really that opportunity that we are trying to leverage as we look at the experience of our clients in that prior program. Just because we are super proud of what we did before doesn't mean that we didn't take note of the, let's say, 35 percent or so of the clients who were still struggling within the program. And we looked at things like housing, we looked at the criminal justice involvement, we looked at transportation, and recognized that there are some things in common that we really need to focus our attention on if we are going to lift everyone up through that process.

Just as a closing note, as your comments referenced, even during the post-recession time, we had some wonderful success. The last slide that I provided all of you shows a cohort of progression from that 2009 timeframe forward. And it is really building on that ex-

perience, building on what we have learned about the needs of families, the needs of individuals, whether they are ABAWDs or families, how do we deliver tailored and unique services that also align with sector needs, business needs, in a way that can help grow the entire economy and grow families.

Ms. DELBENE. And why do you think some states fail to make use of all their E&T funds, and what difference has this made for Washington State?

Mr. STILLMAN. Boy, commenting on why other states won't take advantage of that is a challenge for me. Perhaps I should start by saying thank you, because in some odd way, the failure of other states to take advantage of that has meant that we have had more opportunity in some instances to draw down some additional resources. That is a sad commentary in terms of a loss. I would say, if I were trying to put on the hat of a state that hadn't done this, it is that sometimes we get caught up in simply trying to deliver services within a silo. We are going to do TANF, we are going to do SNAP, we are going to do child care, we are going to do Medicaid, we are going to do all of these things together, and we fail to have a view of the client across that set of systems, and really understand that life does happen to our clients and we need to be able to deliver those services in a much more braided way. But day-to-day demands of a bureaucracy and service delivery can be extremely challenging and it can be very difficult to pull back and see that big picture.

Ms. DELBENE. Yes. Thank you so much. I am running out of time and so I yield back.

The CHAIRWOMAN. Thank you. Mr. Crawford, you are recognized for 5 minutes.

Mr. CRAWFORD. Thank you, Madam Chair. I appreciate it.

The culture today, we put an awful lot of emphasis on a need for a 4 year degree to be successful in this country, and unfortunately, we do that to the detriment of our youth. But we have a huge gap as a result in technical and vocational jobs that are good-paying jobs that aren't being filled. I am wondering how you, and this is to all of you, I am wondering how you are using E&T programs to meet the job needs within your state and communities in light of the gap in skills in vocational occupations. Anybody want to weigh-in on that?

Mr. STILLMAN. So if I may, I would be happy to jump in. In my role at the Department of Social and Health Services, I have the advantage of sitting on the Washington State Workforce Board. As part of the Workforce Board, we have adopted not just college-ready but career-ready as part of our thinking, and it really speaks to that point that you brought up about vocational readiness, community college certificates, and other gateways or doorways to employment and to success. We need to be less narrow-minded, if you will, about how we prepare our students in middle school, high school, and even into apprenticeships and other non-4 year college settings. That is a critical part of what we need to do.

Once again, by being part of a larger system and talking about this from the perspective of the individual and the family, we can see those opportunities and see where a single focus on a 4 year

college education is really a disadvantage to this larger group of people.

Mr. CRAWFORD. Anybody else want to weigh-in on that?

Ms. MCCOY WADE. Sure. Just three comments, in California, certainly, one of the fastest growing components for us is vocational training and certificate training. That is absolutely a growth area for us. Second, we have a new agreement with the community college system in California to make sure the community colleges and E&T are a bridge. And third, by joining our WIOA folks at the table, the WIOA plan in California specifically says tailor to the local and regional job market. It is not a job to nowhere, it is a job to a job in your community. That is very much a core part of our planning.

Mr. CRAWFORD. Thank you. I appreciate that. One of the other things that we hear repeatedly, at least in my district, is the decline of soft skills in the workplace. I wonder if you might weigh-in on soft skills development possibly as a pre-employment type of a workshop or something along those lines, because we hear that repeatedly from our employers because they feel like we can train this individual ourselves, but the soft skills are not being modeled appropriately. When we talk about mentorship programs or pre-employment, can you comment on that?

Mr. WEBER. Yes. You are absolutely right, we hear that repeatedly from employers in our area: we can train the hard skills, just give us people who will show up for work and so on. And they love people coming out of the Fresno Bridge Academy because they have already shown that they will show up for training, that they will have some motivation. And so that is why our people are sought after.

Let me also address your earlier question. One of our eight principles at the Fresno Bridge Academy is what we call our ABC approach, and the ABC approach is get a job, then get a better job, and then get a career. We are talking about people often who don't have high school degrees, so they are not going to get 4 year degrees before they get employed. We want to get them into a job at a job that has upward mobility, and then continue to upgrade their skills so they get a better job, and all of this aimed towards a career. So we start from the family up. We start with what are their interests and aptitudes, and so on, so that this is going to stick and they are going to want to continue to advance their skills.

Mr. CRAWFORD. Excellent. Mr. Anderson, did you want to comment on that?

Mr. ANDERSON. Yes. In Georgia, we have never focused on a 4 year degree. We understand a lot of these folks, and as Mr. Weber said, they don't have high school diplomas. So we developed a contract with our North Georgia Goodwill Association, and they have helped with ten career pathways that help people get certificates, and some of those include advanced manufacturing operations, production technicians, electronic assembly and soldering, floor installation, custodial, forklift training, general construction, and highway safety, those types of jobs that people don't have to have degrees for. So we haven't ever focused on 4 year degrees because we believe there are jobs out there, if they are the right kind of job, that can get them self-sufficient quickly.

Mr. CRAWFORD. Excellent.

Mr. ANDERSON. Yes.

Mr. CRAWFORD. I appreciate it. And, Mr. Stillman, I will give you the last 20 seconds.

Mr. STILLMAN. Thank you. Well, I would like to point out that we sometimes think of things as being sequential: get a job, I don't need any more help. And so in relation to your question about soft skills, one of the things that we try to focus on is problem resolution, even after employment, so that we can offer that sort of coaching, that, "Hey, you didn't show up to work today;" "Hey, you are not getting along with a coworker today; how can we help you," how can we help you keep that job. It isn't just getting a job, it is keeping that job, and then building on that success in order to achieve that long-term career goal. So you are exactly right to wonder about the need for it, and it is important that we then support the resources we need to make that happen.

Mr. CRAWFORD. Thank you. I appreciate it. I yield back.

The CHAIRWOMAN. Thank you. Mr. Costa, you are recognized for 5 minutes.

Mr. COSTA. Thank you very much. Again, I want to thank the Subcommittee because we are really talking about setting the groundwork here for the next farm bill, and how we try, hopefully, to come together in a bipartisan effort as we look at reauthorization of the SNAP Program and the WIC Program, and this testimony is important to setting that stage.

When we first looked at reforming welfare in the mid-1990s, I remember very clearly in California that we were struck on the issue of employment and training, and how many of the folks that we were trying to help didn't have the necessary educational standards. They didn't have the high school diploma. And so we had to spend the time providing that education so that they could then step into the training, so that they could then have the opportunity for meaningful job placement.

To Mr. Weber and Ms. McCoy Wade, I know that the complete evaluation of the employment and training program will not be finalized before the next farm bill, but we will have some preliminary data that we can refer to and look to expand the program. But given that you are already producing these very good, positive, significant outcomes, shouldn't we be investing now in programs that have been shown to generate such positive social and fiscal benefits?

Mr. WEBER. Well, Congressman Costa, the answer in short is yes. Most of us have read *Moneyball in Government,* and we want the rigorous kind of analysis that is being made available through the E&T pilots, but those results are not going to be reported in full until 2021.

Mr. COSTA. Well, and that is part of the challenge because we are going to be putting together, we hope, in the next year, 18 months, the farm bill, and a lot of predeterminations are going to be made.

Mr. WEBER. So we know that there are lots, lots of people out there who want the kind of assistance that we can provide, and so anything that can be done to provide added funding, we are not

constrained by people's interest in this program we are constrained by funding.

Mr. COSTA. All right.

Yes. Ms. McCoy Wade, because a couple of other questions I want to ask before my time expires. No, go ahead.

Ms. MCCOY WADE. I was just going to add that we do——

Mr. COSTA. Did you want to comment on this?

Ms. MCCOY WADE. We do know something about what works in job training, both from the Bridge's Academy work before the pilot, but also from our TANF Programs and from the Recovery Act funding of subsidized employment, in particular, giving employers extra incentive to take a chance on some of these employees with limited history, more barriers, maybe some soft skills challenges. There are things we do know and can invest in before.

Mr. COSTA. In your department, looking at the Fresno Bridge Academy and doing evaluation, obviously, it is a very extraordinary program that improves lives and gives an opportunity to become independent. Based on your calculations that the $5.50 is being returned to the taxpayers for every taxpayer dollar invested, how much of that savings do you think in the outlays for SNAP benefits takes place?

Mr. WEBER. The direct benefits out of the $5.50 to the SNAP Program is $1.51: $1.83 is attributable to the fact that people are now paying income taxes, whereas before they were not. And the rest of it is a combination of a number of different factors, including, for example, the benefit of having a GED and what that means in terms of lifetime earnings and taxes paid, and so on.

Mr. COSTA. We obviously think that you are doing a terrific job, but when we look at, clearly, in Washington State, you have done some very groundbreaking work, I believe, but how much of this is, in terms of the firsthand evidence on the program and improving lives of some of the poorer families in our communities, is this program being able to be replicated?

Mr. WEBER. Well, we started, as you know, Congressman, in two locations in Fresno. We are now in nine locations within Fresno County, one in San Joaquin County, two coming up, one in Napa County, and one in Madera County. So it is very replicable. It is very scalable. We just started the E&T pilot in January of this year. We have already enrolled 1,563 participants in the E&T pilot this year.

Mr. COSTA. Mr. Stillman and Mr. Anderson, there is a little bit of time left, but what advice would you give the Members of this Subcommittee and the full Committee as we look towards reauthorization next year in the farm bill as it relates to the SNAP Program and the WIC Program?

Mr. STILLMAN. Well, I would keep it simple. Let's not break what is working.

Mr. COSTA. Yes.

Mr. STILLMAN. Let's focus our attention on some additional outcome-type orientation. I know there were questions asked earlier about things like a work participation rate. As the TANF side of the house, it makes me cringe to think about the output measures that are associated with that, but I do understand the need for public accountability. So let's identify some outcome measures that

we can all agree to. Further integration with the workforce system, particularly where we can rely on intermediaries, whether it is the Fresno Bridge Academy, Seattle Jobs Initiative, where we can use intermediaries that are at the community level to emphasize how we deliver those services. If you can help build an infrastructure that influences us, motivates us, pushes us in that direction, and still leaves us some room for local creativity, that is what I would urge you all to consider as you move forward.

The CHAIRWOMAN. Mr. Anderson, can you answer that in 10 seconds?

Mr. ANDERSON. I agree with Mr. Stillman.

The CHAIRWOMAN. Perfect. There you go.

Mr. COSTA. My time has expired. Thank you, Madam Chair.

The CHAIRWOMAN. Thank you. The chair recognizes Mr. Yoho, for 5 minutes.

Mr. YOHO. Thank you, Madam Chair. And I appreciate everybody being here. This is such an important topic, as we know, as we go into the next farm bill. And we need to take what is working well, refine it, and make it work better.

Mr. Weber, the Fresno Bridge Academy said it is an 18 month program, it is self-enrollment. How do people sort themselves out? Is it by want?

Mr. WEBER. I am sorry, I didn't get the last part of your question.

Mr. YOHO. How do they determine to go into that? Are they encouraged to go into that——

Mr. WEBER. Yes. We basically recruit them and we sell the program to them. In the end, they have to decide that they want to make this difficult transition. It is very clear to us that we don't have to do the difficult work of navigating the hard pathway from where they are to where they can be.

Mr. YOHO. So these are the more motivated people that want to improve their lives.

Mr. WEBER. There is a self-selection process that is involved in this thing, yes.

Mr. YOHO. Are you finding a certain age group demographic? Is it younger families, is it a family, *per se,* a nuclear family? And I don't want to define a *nuclear family* for anybody, but it is a family structure that works for them, or is it a single individual, male or female?

Mr. WEBER. I would suggest to you that it is all over the place.

Mr. YOHO. Okay.

Mr. WEBER. It is all over the place. The average age of our participant is 35 years, but it ranges all the way from very young——

Mr. YOHO. As you are screening people to go into the program, or that decide to go into that program, what traits are you finding people are looking for? Do they have certain people skills or technical skills, or is it just a strong desire or want to change their life?

Mr. WEBER. I think it is motivation. It is a strong desire to change their life. Now, I should tell you that a lot of the people that we talk to are people who are deeply depressed, they don't like the conditions of their lives. And so it is not like they are chomping at the bit to do something, they are desperate. This is the last line of assistance that they have and they are desperate to try to

change their lives. Primarily, that is true where they have children. And it is mostly——

Mr. YOHO. I can remember those days because I was in that lot, and I didn't want to stay there.

Mr. WEBER. Yes.

Mr. YOHO. You have 30 percent of the people that come out of that, 30 percent become self-sufficient in an 18 month period of time.

Mr. WEBER. That is correct.

Mr. YOHO. That seems incredibly successful.

Mr. WEBER. It is.

Mr. YOHO. And then you have expanded to how many different locations, nine, did you say?

Mr. WEBER. We have nine sites in Fresno County. We are opening up three sites in other counties: one we have already opened, two are opening in October.

Mr. YOHO. And when you say it costs you $1,800 per graduate, that is the cost in your program. Where does that funding come from?

Mr. WEBER. That is SNAP E&T funding 100 percent funding, as well as some 50/50 funding.

Mr. YOHO. SNAP E&T.

Okay, and then, let's see, blow this up here. You were talking about, Mr. Weber, I wanted to ask you another question here. In your testimony, you mentioned the Bridge Academy offers a wage subsidy for the employers. Can you go into more detail about how and why Academy is doing this, and I guess the big thing is, is providing subsidies sustainable long-term?

Mr. WEBER. Yes. Good question. So let me first point out that the results that I have reported today are for the traditional Bridge Academy services that did not include wage subsidies. Under the E&T pilot, we have requested authorization to offer wage subsidies. We have requested that because, particularly with some of the hardest to hire people, we have to compete with TANF people who do offer subsidies. And so that was an issue for us. Having said that, the wage subsidies that we are offering are much lower than those of TANF because, quite frankly, we are highly motivated by the notion of doing a program that is very cost-effective, and that produces good returns for taxpayers, and so we are driven by cost-effectiveness.

Mr. YOHO. Right. Boy, and it sounds like you are doing a good job on that. And at 18 months, I assume those subsidies are gone or they are starting to wean off.

Mr. WEBER. The subsidies are gone with 6 months.

Mr. YOHO. Okay. And I think that is a good investment.

Mr. Anderson, out of the 6,100 people that applied for your program, and it went down to 2,100, what accounted for only the 30 percent, roughly, participation? Again, is it the motivation of the individual?

Mr. ANDERSON. It is the motivation of the individual. We do try multiple times to get the individual to come in for an orientation and talk with them. Three letters, several phone calls to try to get them in. And those that just don't respond are the numbers that we reflected.

Mr. YOHO. And then so many times you get in a meeting like this or you hear in the news that one group wants to take benefits from somebody else. We don't want to do that, we want to empower the people to let them know they are needed. We need people. Everybody working, we want to empower their lives so that they have the quality life that they can achieve in this country. As you guys have already given us a lot of information as we talk to people, that is really where we want to go and empower people to get in, move up, and get out.

And so I appreciate you all being here. Thank you for your time.

The CHAIRWOMAN. Thank you. Mr. Ashford, you are recognized for 5 minutes.

Mr. ASHFORD. Well, thank you, Madam Chair.

I agree, and thank you for being here. This is incredibly important. I spent a number of years as an executive director of the Housing Authority in Omaha. We faced these issues every day, and I applaud all of you for what you are doing.

We discussed, in this Committee, on various occasions the idea that how far we take people to a certain point, the cliff occurs, and they are afraid to jump off because of fear of losing security, food or housing, or child care, whatever it is. And that seems to be the challenge we all face on the Federal level is what can we do to mould Federal law.

I have spent some time in Washington State and in my years in the Nebraska Legislature, I worked quite a bit on juvenile justice reform, and have been incredibly impressed by the holistic approach that Washington State takes to evidence-based remedies for some of these juvenile justice issues. I apologize if this has been asked or answered, but I guess I would like to know, again, can we just go down the line, starting with Mr. Stillman. If you were to say to me what changes in Federal law and the farm bill should we make to make this more commonplace, this attitude of breaking down the silos, make it more commonplace and incent states, because certainly our State of Nebraska, we should be accessing the Federal funds that are available to get into to make these programmatic changes. We are not doing that. So in some sense, Nebraska needs to take the initiative. But what changes in Federal law would you, or could you see the Federal Government doing to ease this process?

Mr. STILLMAN. One thing I would say immediately, and that should be structurally obvious from the answers that we have given up until now, has to do with the challenge that we face when we are working within our silos. We are having to, as the Bridge Academy does, reach out and talk to people after they have been to one place and another place and another place. And although the term *data sharing* is overused these days, what we need to focus on are the barriers to a common intake process where our clients, our customers, are not expected to go from place to place to place to place in order to participate in these programs. That onus is on us, but I would say it is also on you to identify those places where, because of the funding strains, because of the private information restrictions that are built into Federal law, we are really hampered by the opportunity to seize the moment when the clients are in front of us. So that would be one thing that I urge you to

think about carefully, and would be happy to talk about more in-depth at some other time.

Mr. ASHFORD. Thanks, Mr. Stillman. Mr. Anderson?

Mr. ANDERSON. Yes, Congressman, thank you. One of the most important things for us is that we don't make changes to Federal law that will ultimately hamper the states' effort to do this. Georgia, specifically, is working with the Seattle Jobs Initiative Group, I don't know if you are familiar with them, to try to find ways to get non-state and non-Federal dollars to support the 50/50 match on moving the employment and training program forward, to try to put more people into jobs and long-term self-sufficiency. So we are already moving in that direction in Georgia to try to look at that. But, the biggest thing, and I want to bring up what Mr. Stillman had said before, it is extremely important to try not to mirror the work participation rate that is in the TANF Program and the E&T Program because if you look at what is going on, even though it is a great goal and it is a great objective, there are a lot of states that have trouble meeting those goals because each individual is different, each individual's needs are different. They have different barriers that may have to be addressed, and those are kind of hard to get to in a statewide number.

Mr. ASHFORD. Thank you. Mr. Weber?

Mr. WEBER. Congressman, as you know better than I, there is no absence of antipoverty programs in the Federal Government. The problem is that most of those programs are very siloed. They are very fragmented. And so anything that can be done that encourages innovation, that is driven from the family up, that is to say where public-private partnerships can collaborate on outcomes-oriented approaches such as have been described today, would be a tremendously beneficial thing to do.

Mr. ASHFORD. Thank you. Ms. McCoy Wade.

Ms. MCCOY WADE. And I would echo what has been said about alignment between programs, and the right kind of outcomes and the right kind of public-private partnerships, but just really add that subsidized employment is a missing piece here because we want people to be in real jobs with real work experience.

Mr. ASHFORD. Right. Thank you. This is very helpful. Thank you, Madam Chair.

The CHAIRWOMAN. Thank you. The chair recognizes Mr. Gibbs, for 5 minutes.

Mr. GIBBS. Thank you. Thank you, Madam Chair. Thank you for being here today, supporting good people finding meaningful work, and supporting their families, and self-respect, and all that.

Recently, in my district I held a roundtable discussion on possible SNAP reforms, and we had all different types of entities in there, and one thing that came out that was people that work with SNAP recipients, they talked about the trouble that a lot of their constituents have with literacy programs, budgeting benefits, and handling their finances in general. Does any of your state E&T Programs include financial literacy training? If so, what kind of results have you seen? So that is open to anybody who wants to answer. Mr. Weber, I see you getting ready.

Mr. WEBER. Yes, absolutely. It is critically important. A lot of the people that we deal with don't even have bank accounts. So we

have partnerships, for example, a partnership with Wells Fargo in Fresno County where they provide financial literacy. And, of course, it is in their best interests because then they are encouraging people to set up bank accounts with them. Maybe shouldn't have mentioned that in light of the recent history with Wells Fargo, but nevertheless, there it is.

Mr. GIBBS. Anybody else want to comment, Mr. Stillman?

Mr. STILLMAN. I would just echo what was said before. It really is life skills, whether they are about literacy or financial literacy, are really critical to that. It is about building the foundational skills that you need to move ahead, to plan, and to have enough bandwidth to withstand some crisis down the road. And so talking about building that is really important.

Mr. GIBBS. Okay. Mr. Stillman, there are a lot more organizations which seem to work in this area. As to duplication, with all the different organizations that you deal with, how do you coordinate the co-enrollment with various programs so you don't have duplicating services? And we have heard a little bit about the silo issue, how do you coordinate so that we get the most bang for our buck and the most efficiencies?

Mr. STILLMAN. Well, we are very fortunate in Washington to have a fairly robust information technology backbone, and don't ask me what it stands for, eJAS, and it is an IT backbone that allows multiple participants in the process, meaning our Labor Department, our State Board for Community and Technical Colleges, our own staff, to essentially communicate across the system. So first we start with a comprehensive evaluation to understand what our clients need. We do that evaluation on a routine basis to try to update what is needed for that family or individual, and then have this backbone system to be able to properly communicate. And that is really critical among all these silos that we do more than just an every-now-and-then interaction.

Mr. GIBBS. So we want to make sure that we have programs in place, the incentives there, so that we don't have the duplication when we look at the next farm bill, I guess.

Mr. STILLMAN. Yes. And if we are all using the same measures and the same system to communicate with, we can drive out some of that duplication.

Mr. GIBBS. Also, Mr. Stillman, in your testimony, employment rates have increased to 61 percent over the last 2 years. What accounts for the 40 percent of the participants that didn't gain employment? What is keeping them from getting a job?

Mr. STILLMAN. Well, the many tens of thousands of people who participate are all throughout the state. And so our communities are not all the same. There were questions earlier and testimony referencing areas of high unemployment, so Washington is blessed to have mountains and oceans and really good stuff, but we also have big urban settings and then many more rural settings where we have high unemployment rates. So some of that lack of job attachment is really due to the fact that there aren't as many opportunities out there for individuals to——

Mr. GIBBS. That leads me to my next question. My next question was, in rural counties there might not be the job opportunities, and you just stated that. How does it look when we are looking at avail-

ability of opportunities to help these recipients in job training programs? Do you kind of look in their area, in their locale, what is available and try to tailor those job training programs to what is available? Because it would be different in Washington State, I know there is a big difference between the eastern part of the state and the western part of the state, so do you kind of look at that, at what is available, and tailor those job training programs to that locale?

Mr. STILLMAN. We do. And, in fact, that is one of the reasons that the utilization of the community-based organizations and the community colleges is so critical, because each of those colleges in Washington are centers of excellence around particular industries or particular sectors. Focusing on the need of that particular area, whether it is water issues, salmon restoration, aircraft and other manufacturing, we have these different centers where we are really trying to build the capacity not only of the individuals, but build the capacity of the community to support the employers that have made a decision to invest in that local community.

Mr. GIBBS. Good. Thank you. I yield back.

The CHAIRWOMAN. Thank you. The chair recognizes Ms. Lujan Grisham, for 5 minutes.

Ms. LUJAN GRISHAM. Thank you, Madam Chair. And I want to thank the panel. I hope it is clear that this Committee, in a bipartisan effort, really wants to make these benefits work in a way that assists people to move out of poverty. I am in the unfortunate situation at every one of these hearings to, if you don't already know, remind the panel that New Mexico finds itself in a really difficult situation where we have some of the highest poverty rates, highest food insecurity rates, highest unemployment rates now in the country. And given that oil and gas continues to be unstable and low, which is, in addition to ag, one of our large economic sectors, it has been really challenging.

I used to work in state government, and one of the most successful programs that we ran at the time was an employment program for older folks. So it is the Older Workers' Program, we sort of reinvented it, much in the way, Mr. Stillman, that you describe your partnerships and the successes in Washington. The key is that we were very careful about mandates *versus* voluntary aspects, recruitment and training of participation, and a real productive relationship with the economic sector and the business sector. Now, that has fallen apart in the state, but I am interested really, do you have advice, twofold, first, for states that find themselves in the situation that New Mexico is in, and second, add to that overarching challenge that it is clear and public knowledge that New Mexico has been mismanaging its SNAP Program for decades, that is has taken decades to get a Federal investigation, that a district court has now required an independent advisor, and the states' real effort here with the threats of losing the administrative match for SNAP is still to go after beneficiaries. And there is no doubt in my mind that there are some issues with beneficiaries and fraud, small, but they pale in comparison to mandatory work requirements, no investment in education, employment training, no incentives, no policies in the farm bill that really put states both in a

proactive and an accountable mechanism to move people off poverty. What advice do you have for me and my state?

Mr. STILLMAN. That is a tall order. Let me start with that.

Ms. LUJAN GRISHAM. That is why they have a tall Congresswoman.

Mr. STILLMAN. I want to go back to the client. I think that is where we all need to begin. We need to go back to the family, go back to the individual and understand where they are coming from, and ask ourselves whether the service delivery that we have today is meeting them where they are at, as opposed to trying to, I don't know, put that proverbial square peg in a round hole. So that would be the place where I would begin.

I also referenced earlier how important it is in Washington that we do integrated service delivery, meaning that we are, again, looking at the entire client. As they present themselves to us, we are not trying to look at this piece of data or that piece of data, we are really trying to dig a little bit deeper. Yes, we need your demographic information, but we need to understand the circumstances of your children, whether there are mental health or developmental issues that are brought to bear, and the design an intervention that is about that need, about that need at that time, and then follow through.

Ms. LUJAN GRISHAM. I actually completely agree with you. How would you envision that getting into policymaking that creates the right balance so that, for example, if you have mandatory participation in these programs, sounds great, right? If you say you will lose a benefit, that is an accountability measure, if you don't come to an appointment, but I have two developmentally disabled children, twins, with an under-funded special education component, a 10 year wait on the DD waiver, and they are sick, and I can't get to that appointment because I am constrained, and my choices are leaving those developmentally disabled children alone at home sick, or meeting that missed appointment requirement, and the fact that most states do not have integrated systems for universal applications, triggers to make sure that if you are eligible, even though we have said that in Federal law, if you are eligible for this Medicaid benefit, then you are eligible for these other benefits. And yet we are fighting. And there are many court actions around the country saying, is your state really doing that. What is the right incentive to make sure that states are moving in the direction that Washington is? I mean what can this Committee do to assure that that becomes the standard bearer in the farm bill?

Mr. STILLMAN. Well, you mentioned earlier that you are not a fan of coercive actions against clients. At least I interpreted your opening statement in that regard. And trying to coerce states to do things is equally as challenging. It is an organic system. We are people too. So forcing us to do something is not the right answer. Incenting us to do things, for example, that family that you referenced, they probably have a medical home. Those kinds may have the opportunity to go to an education location or a child care, a respite location. And if there are places where that family is going already, then let's look at that opportunity to bring in and bridge service deliver there, and not expect Mom to do ten things when she can hardly do one thing to help make sure those kids are

safe. That is how I would go about trying to address that problem in your state.

Ms. LUJAN GRISHAM. And I am out of time and I really appreciate that. And I know that the Chairwoman has really worked on cliff issues, but you have just described that you would have to choose between those benefits in most states. Thank you.

The CHAIRWOMAN. Thank you. The chair recognizes Mr. Thompson, for 5 minutes.

Mr. THOMPSON. Madam Chair, thank you so much for hosting this hearing. Thanks to each member of the panel for bringing your expertise here.

I wanted to follow back around on the employment and training components of SNAP. We have so many families, so many people who are living in poverty and find themselves in need of support. And, quite frankly, I see employment and training as an exit ramp, an exit ramp out of poverty. Many of our poverty programs have almost been like anesthesia; it is meant to make you feel more comfortable living in poverty *versus* providing an off ramp.

And so I am pretty pleased that later today, this afternoon, we will have on the floor a bill that I have been working on for a number of years, it is H.R. 5587, Strengthening Career and Technical Education Training for the 21st Century Act. I wanted to share with you just a couple of the bullets of that and get your assessment, what you think about whether this is an improvement, it is a reauthorization, but it is really a modernization of the Perkins Act. I think it is a transformation of it. Whether, in your assessment, whether this will help the types of people who you are working with each and every day, in terms of employment and training related to SNAP. This change provides a workforce alignment. It actually brings business and industry to the table so that when we provide training, at the end of the day it is not just completing education, it is a family-sustaining job that is there. It is really focused on high-wage, high-demand positions that we know are out there in every community, but there is a skills gap between folks who need a job or a better job, and those employers that need that number one asset that they have, which is a qualified and trained worker.

There is easier access to the dollars for states and for the districts, for the providers of this training. Quite frankly, it reduces the application bureaucracy and requirements to facilitate that. I will be honest with you, there is less Washington and there is more state and local level, closer to the people who have the need, in terms of authority and decision-making. And it does push career awareness down into the early middle schools, which I know we have a lot of kids that are being served, but this is an investment for the future, I guess.

I appreciate, in the time I have left, hearing from you of, does this sound like we are on the right course for this vote this afternoon?

Mr. STILLMAN. So I have to say that I am not as familiar with the specifics of the bill, but the principles that you have laid out seem very sound to me. I think that any time I can help you solve a problem, that helps me solve my problem, it is that classic win-win. And so with employers and industry at the table, articulating

their needs in a way that we can advance the interest of our clients to fulfill those needs, clearly, that is a win-win.

I will say that high-wage and high-demand jobs are relatively few in number in contrast to the very large number of individuals that participate in SNAP, even in our TANF Program. So sometimes that seems like the nirvana of where we want our families to go, and we have to remember that we have a large number of families in our communities that need some very basic attention before they get to the top.

Mr. THOMPSON. Right.

And the hope is this restores all the wrongs on the ladder of opportunity, that we all start at the bottom and climb our way up.

Mr. STILLMAN. I couldn't agree with you more.

Mr. WEBER. Congressman, from what I have heard, and again, I am not familiar with the bill, but I would strongly support the principles. We all have to understand that addressing poverty starts with the families, and it starts with connecting them to employment opportunities that are available in their local community. This is something that we don't know sitting in Washington. We know it locally. And then there is a question of connecting those two pieces. What is the training that we need to provide to these people, both in hard kills and soft skills, to get them from here to there. And so what you are describing, would be very helpful in that direction.

Mr. THOMPSON. Mr. Anderson?

Mr. ANDERSON. I agree with both of my fellow panelists on this one, but as a principle, the more you allow states to provide input and what works for their state is certainly welcome news for our state.

Mr. THOMPSON. All right. Thank you everybody. Thank you, Madam Chair.

The CHAIRWOMAN. Thank you. The chair recognizes Congressman Moolenaar, for 5 minutes.

Mr. MOOLENAAR. Thank you, Madam Chair. And I want to thank all of you for being here and your testimony. And I came in at the tail end. I had another committee meeting. But I know that you had spoken about some of the work you do partnering with different community organizations, community colleges, the private-sector, and I just wondered if you could be more specific in terms of how those partnerships work. Is it something where you provide the funding, they provide a service, is there a shared responsibility, and how do you reach out to the different organizations? I would welcome any of your input.

Mr. WEBER. Sure.

Mr. MOOLENAAR. Mr. Weber.

Mr. WEBER. Thank you, Congressman. We started the Fresno Bridge Academy in 2010 with 14 service providers, all of which had their own sources of funding to provide some of the services the families needed. Today, we are at 175 service providers. With one exception, they all have their own sources of funding.

What has happened in the war on poverty in the last 52 years is we have all of these siloed programs. They come down on silos from Federal Government. They tend to remain in silos coming down from the state government, and frankly, even at the local

agency level, at the local government, they tend to be compliance-oriented.

What needs to happen is you need to start from the family up, figuring out what it is that is needed and then making the connections to these families.

So the single most important role that we play in the Fresno Bridge Academy is we have what we call a career and family navigator that is assigned to a family from the day that they enroll in the program until they graduate from the program 18 months later. The role is to help them develop an individualized family plan, connect them to service providers, and then support them as they get on the on ramps to the pathway that they have to traverse, and very, very importantly, help bolster their confidence as they traverse the pathway, because for a lot of them poverty is hard. They have been beat down pretty hard. And so, it is amazing to see their self-confidence grow as they get their GEDs, and as they complete their vocational training, as they get into their first job, and so on. So that is the way we do it. The one exception is we have a contract with our economic development corporation to help us place our graduates with companies that have 50 or more employees, because they have the relationships with those companies.

Mr. STILLMAN. And——

Ms. MCCOY WADE. Let me just briefly telescope out. So the hub of the program is with the SNAP Program, and in our case in California, the county and some cases with the state, and in those counties to respond to the needs of the employer market and the employee population, you often engage a range of contracts with your community college, with your Office of Adult Ed., with Goodwill industries, with a prisoner re-entry program that is targeted, and all of those folks are bringing matched dollars to the table to match with the SNAP E&T. But you have a diverse portfolio of services to serve, again, match your employees with your employers. So that is how we absolutely rely on the public-private partnership to be locally tailored.

Mr. STILLMAN. And in our state, one of the things that I think we have done a little bit differently is through our employment pipeline, identified medium and large employers that have high turnover and moderate and high jobs. So I won't name names, I didn't ask them ahead of time about that, but essentially, look at turnover, and look at that cost center that employers are experiencing. It is expensive to hire, train, hire, train, hire, train. So how might we help screen, how might we help train in a way that we use Federal and state resources, local community resources, to help that employer with their sustained need for employment, and then deliver job-ready employees, and then stay with them as their employment continues so that they can not only get that first job, but get a better job.

And we have to look at some unique industries. People might not think of call centers as an industry, but there really is an industry sector there that goes all the way up to the Federal Government, having some pretty decent jobs in call center-like settings where, if we can help a person start out at a low level and work their way

through that, developing good customer service skills, good problem-solving skills, they will have a career that is meaningful.

Ms. MCCOY WADE. And one example to add is a major hospital, which also has a nice administrative ladder, a lot of clerical entry, but then a real career ladder there for folks, and a lot of slots.

Mr. ANDERSON. And in Georgia, part of what we have done with this grant is look at job forecasting and job marketing across the state to see what jobs are coming up and available, and we are actually doing assessments of the individual to see if they might fit that criteria for any of those jobs, and actually going through and asking them the questions and doing a systemic way of finding out what job will be best for them. So that is part of what we are looking forward to in the outcomes of our grant.

Mr. MOOELNAAR. Okay, thank you very much. Thank you, Madam Chair.

The CHAIRWOMAN. Thank you. I want to thank the witnesses for being here today. I think that this was an amazing amount of information that continues to point us in the direction of moving forward and continuing to always look for ways, even outside of the box, to continue to shape and mould these models that we are looking at. I have learned so much listening to you all today, and I really appreciate it. And I think that it also gives us, for the first time, good evidence-based research coming right out of your areas, the states that you represent, which is going to be incredible for the days ahead. So I just want to thank you for your remarks. Thank you so much for indulging us today.

Under the Rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material and supplementary written responses from the witnesses to any question posed by a Member.

This hearing of the Subcommittee on Nutrition is adjourned. Thank you.

[Whereupon, at 11:34 a.m., the Subcommittee was adjourned.]

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

(THE PAST, PRESENT, AND FUTURE OF SNAP: OPPORTUNITIES FOR IMPROVING ACCESS TO FOOD)

WEDNESDAY, NOVEMBER 16, 2016

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 10:00 a.m., in Room 1300 of the Longworth House Office Building, Hon. K. Michael Conaway [Chairman of the Committee] presiding.

Members present: Representatives Conaway, Neugebauer, Lucas, Thompson, Gibbs, Crawford, Gibson, Benishek, Walorski, Allen, Bost, Abraham, Moolenaar, Kelly, Peterson, David Scott of Georgia, Costa, Walz, McGovern, DelBene, Vela, Lujan Grisham, Kuster, Nolan, Bustos, Aguilar, Plaskett, Adams, Graham, and Ashford.

Staff present: Caleb Crosswhite, Callie McAdams, Haley Graves, Jadi Chapman, Matt Schertz, Paul Balzano, Scott C. Graves, Stephanie Addison, John Konya, Lisa Shelton, Liz Friedlander, Matthew MacKenzie, Nicole Scott, and Carly Reedholm.

OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

The CHAIRMAN. Again, Rob, thank you for those long years of service to our Committee, to Congress, and to the people. We appreciate it.

So with that, this hearing on the Committee on Agriculture, entitled, *Past, Present, and Future of SNAP: Opportunities for Improving Access to Food,* will come to order.

Mr. Neugebauer, will you open us with a prayer?

Mr. NEUGEBAUER. Thank you.

Father, we just come before you today, and to praise you and thank you for the gracious and loving God that you are. Father, we thank you for the opportunity that you give us to live in this United States of America. Father, there are so many challenges, both here in our country and around the world, and I pray for wisdom for all of those that are in authority, that you have put in authority, that they would have the wisdom and the courage and the strength to make the decisions that make this world and make this country better. We thank you for the families represented here today, and we ask that you continue to bless our great nation. In your son's precious name we pray. Amen.

The CHAIRMAN. All right, thank you.

Over the course of the 114th Congress, we have heard from 55 witnesses at 15 different hearings in our series on the *Past, Present, and Future of SNAP*. We have heard from witnesses discussing their experiences as SNAP recipients, from state agencies implementing SNAP across the country, from charitable partners that work with SNAP recipients, from innovative organizations receiving SNAP funding to help improve and target SNAP programs, from retailers who sell food and provide access to healthy foods in their local communities, and from a wide range of partners, implementers, government agencies, and stakeholders.

These witnesses have expressed an array of opinions on the successes and failures of SNAP at serving people in need of nutritious, wholesome food. They have shared great accomplishments, but have also pointed out that there is room for improvement. The findings of our 2 year review are being compiled into a comprehensive report that we plan to release next month.

As we begin the 16th and final hearing of our series, the individuals we have with us today represent organizations at the forefront of improving access to healthy food. At this point, we have all heard about food deserts and concerns about whether those receiving SNAP benefits can actually make healthy purchases with the benefits they receive. The organizations represented here today are working to address those concerns in unique and innovative ways. It is my hope that some of the ideas discussed in this hearing can be applied more broadly throughout the SNAP programs to enhance program delivery.

As we have discussed time and again, SNAP is not a one-size-fits-all program. Different communities have different needs, and there are different gaps in SNAP delivery. So I am looking forward to hearing how the steps that today's witnesses have taken target the unique needs of the communities they each serve.

As the Chairman of the House Agriculture Committee, I am especially cognizant of the challenges that many who live in rural America face in accessing healthy food. Online purchases, whether or not they are made through SNAP, can increase access to fresh foods for customers in rural and urban communities alike who are not near, or able to travel to, a fresh-food retailer. Companies like Amazon are well known for their online presence, and our other witnesses, while perhaps less well known, are in some cases already delivering groceries to customers through online purchases.

While these online platforms certainly increase access to food, online sales also raise implementation questions related to shipping, product freshness, product availability, and cost. It is my hope that some of these questions can be answered, or at least explored, in this hearing.

As a taxpayer and a steward of taxpayer dollars, I want the dollars that go toward SNAP to be well spent. SNAP dollars that are used inefficiently are SNAP dollars that are not feeding people, or helping them learn about healthy eating, or helping them find work and are lifting them off the programs that they are on. SNAP dollars should provide the greatest benefit possible and allow for the maximum improvement in nutrition for the households that need them. Hopefully, innovations in how customers make their

food purchases will prove to be one such way that these efficiencies can be gained.

Before I conclude, I would like to recognize my good friend and colleague and neighbor, Randy Neugebauer. Randy was first elected in 2013, a special election, an election I am not unfamiliar with. Over the past 13+ years, Randy has served on this Committee, as well as Financial Services and, I guess, Science, Space, and Technology. He has been a good friend, a good neighbor, he has served well, and he is leaving us at the end of this Congress to pursue other issues. Let this be a full warning to the rainbow trout populations across all of North America that Randy will have more fly fishing time available as a result of his turning this page in his life, and I couldn't wish him anything but the best. And God speed, Randy, on whatever chapters are ahead of you, going forward. I appreciate your service to the constituents of District 19, and by extension, your work here in Congress as well. So thank you, buddy.

Mr. NEUGEBAUER. Well, thank you.

The CHAIRMAN. God speed.

Mr. NEUGEBAUER. Thank you, Mr. Chairman. And, well, it has been a great honor. I come from an area where agriculture is extremely important, but agriculture is important to the entire nation. I have gotten to serve with a bunch of great folks in this room, and every Chairman I have served with is still on the Committee, and which says a lot about this Committee.

I think one of the things, having served on other committees, is I have always appreciated the bipartisan way that this Committee works to make sure that Americans can continue to enjoy the safest, cheapest food in the world, and the best fiber, and so I am thankful for that. And, Mr. Chairman, I have certainly enjoyed serving with you, and thank you for asking me to be your Vice Chairman. And, it is a great Committee, and this is an important Committee to our country, and I am going to miss the friendships and the relationships that we have been able to make here. But the other people that I want to thank is those hundreds of farmers and ranchers over the years that have come before this Committee, gotten off their tractor or gotten off their horse, or left their company to come up here and make sure that we understand how important the things and the decisions that we make in this Committee impact those farm families across our country. So our thanks go out to them. And thank you for the time for allowing me to speak.

The CHAIRMAN. Well, God speed.

I would also like to recognize Dan Benishek and Christopher P. Gibson, who are also concluding their service in Congress. Those two have also served for 4 years now. And, Dan, I appreciate your work on our Committee. And on the other side we have Gwen Graham and Brad Ashford and Ann Kirkpatrick, we also recognize and appreciate their service. They joined us in the 114th Congress and will be moving on. I appreciate their work, and as the letter to Rob said,* "this is a bipartisan group of folks who work together to try to improve food and how that food is grown, all those things are our responsibility."

*The document referred to is retained in Committee file.

So with that, I would like to thank our witnesses for being here. We will recognize them in a minute.

[The prepared statement of Mr. Conaway follows:]

PREPARED STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

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As a taxpayer myself, and as a steward of taxpayer dollars, I want the dollars that go toward SNAP to be well spent. SNAP dollars that are used inefficiently are SNAP dollars that are not feeding people, or helping them learn about healthy eating, or helping them find work and ultimately lifting them off of the program. SNAP dollars should provide the greatest benefit possible and allow for the maximum improvement in nutrition for the households that need them. Hopefully, innovations in how customers make their food purchases will prove to be one such way those efficiencies can be gained.

Before I conclude, I would like to take a moment to thank my friend Randy Neugebauer for his service as the Vice Chairman of this Committee. Over the past 13 years, he has faithfully served this Committee and the people of West Texas, and I wish him nothing but the best as he enters this new chapter. Randy, you will be missed.

I would also like to recognize the other Agriculture Committee Members leaving at the end of this Congress. Dan Benishek and Christopher P. Gibson have served on the Committee for the past 4 years. Gwen Graham, Brad Ashford, and Ann Kirkpatrick all joined the Committee for the 114th Congress. I appreciate the time and effort that each of you have given to this Committee. You all have been great colleagues to work with, and you will be missed.

With that, I thank our witnesses for being here today, and I recognize Ranking Member Peterson for any comments he would like to make.

The CHAIRMAN. I will turn now to Mr. Peterson for any comments that he would like to make.

OPENING STATEMENT OF HON. COLLIN C. PETERSON, A REPRESENTATIVE IN CONGRESS FROM MINNESOTA

Mr. PETERSON. Thank you, Mr. Chairman. And I want to also give my best to Randy. I remember when you first were elected, and were we in Amarillo or Lubbock? Amarillo?

Mr. NEUGEBAUER. Amarillo.

Mr. PETERSON. Yes. We went to dinner, I think it was, the first time I met you way back when. So Randy has done a great job. And the other Members that are leaving the Committee, their service is appreciated because they have been part of the reason we have been successful and been able to work in a way that is constructive for the American people. We look forward to doing that into the future, and wish everybody well in whatever they are going to be doing in the next chapter of their lives.

So thank you, Mr. Chairman. It is nice to be back, and I welcome everybody to the Agriculture Committee today.

We are continuing the Committee's review of SNAP by looking at what food providers are doing to improve access to food. There are a lot of different approaches to this, and I am looking forward to hearing testimony today from our witnesses.

Maybe I am wrong, and my staff says this is our 18th SNAP review. Whatever it is. And I believe that this is the final hearing this year.

The CHAIRMAN. Yes.

Mr. PETERSON. So we have covered a lot of issues, but the overwhelming theme of the testimony has shown that while there are some areas for improvement, SNAP works. We have also heard testimony opposing efforts to block grant SNAP, and on the importance of keeping SNAP within the farm bill. So I hope that we can keep these themes in mind as we start work on the farm bill next year.

And again, I welcome the witnesses and look forward to their testimony, and I thank the chair for holding today's hearing. I yield back.

The CHAIRMAN. I thank the gentleman.

I also want to brag on Jackie Walorski and James P. McGovern. They have been the Chairwoman and Ranking Member of the Subcommittee on Nutrition. They have shepherded this work for 2 years. And I now turn to Mrs. Walorski for comments that she might have.

OPENING STATEMENT OF HON. JACKIE WALORSKI, A REPRESENTATIVE IN CONGRESS FROM INDIANA

Mrs. WALORSKI. Thank you, Mr. Chairman. As you point out, I guess we are debating, I think it is the 16th hearing in the series examining the *Past, Present, and Future of SNAP,* but who is counting, right, James? I want to thank you for your leadership and commitment to giving this program such a comprehensive review. I also want to thank my Ranking Member on the Nutrition Subcommittee, Mr. James P. McGovern. I have learned, James, so much, and I so much appreciate your friendship during this time.

When I took the gavel of the Subcommittee, it was clear that you were a dedicated and admired leader in the fight against hunger, and it has been an absolute pleasure to work alongside of you. And I will never forget the event we did together in the beltway here, when James walked in, he was like a rock star icon, and I will never forget it. While we have our differences, we share the common goal of working together against poverty and hunger in this country. We have been able to accomplish a lot on a bipartisan basis in the last 2 years.

This series of hearings has been an eye-opener for me. I have learned so much. I hope it has been for the other Members of the Committee as well. We have heard from the broadest range of stakeholders possible; from SNAP recipients themselves, to government agencies, to those who are on the frontline of the fight against poverty. We have found successes and innovative solutions, and we have identified gaps in the system and areas for improvement.

As I have said before, no one program will end hunger or poverty. Everyone; Federal, state, and local governments, not-for-profits, and the private-sector, academia, and recipients themselves, has a role to play in this fight. SNAP is only one part of our country's safety net, but this Committee's job is to make it as effective and efficient as possible, and ensure that it works in tandem with other Federal, state, and private-sector programs.

I look forward to hearing from our witnesses today as we explore opportunities to improve access to food. The future of SNAP is full of promising innovations in food delivery, purchasing, and other areas. These are innovations we cannot ignore, but we must balance innovation with program integrity to ensure that taxpayer dollars are spent effectively.

I want to thank each of the witnesses for being here and lending your expertise.

And, Mr. Chairman, I yield back. Thank you.

The CHAIRMAN. The gentlelady yields back. Any comments, Mr. McGovern, you might make?

OPENING STATEMENT OF HON. JAMES P. MCGOVERN, A REPRESENTATIVE IN CONGRESS FROM MASSACHUSETTS

Mr. MCGOVERN. Thank you, Mr. Chairman. I too want to thank my colleague, Congresswoman Jackie Walorski. I have the privilege of serving with her on the Nutrition Subcommittee, and she is a great friend and a great leader, and I look forward to continuing to work with her on these issues.

So after 18 hearings what have we learned? We have learned that the SNAP Program is a powerful tool for improving nutrition, insulating families against hardship, and lifting people out of poverty. It is effective, and it is efficiently run. The very modest benefit, which averages about $1.40 per person, per meal, helped to keep over ten million people out of poverty in 2012, including almost five million kids. So when I reflect on the lessons learned from our hearings on SNAP during the 114th Congress, I think about the overwhelming support of testimony that we have heard from witnesses about the structure of the SNAP Program, and its

ability to reduce food insecurity among our most vulnerable constituents.

We have learned that charities do great work, but they can't do it alone. We have learned that it is a bad idea to radically change the SNAP Program. It is working as intended. Not once have we heard from our witnesses that block granting SNAP will reduce hunger or strengthen this program. In fact, we have heard the opposite. And if we want to talk about improving access to food, we should be discussing ways to increase SNAP benefits. If anything, the average benefit of $1.40 per person, per meal, is too low.

The American Recovery and Reinvestment Act of 2009 temporarily increased SNAP benefits, and we saw an increase in food expenditures by low-income households, a reduction of food insecurity, and improvements in diet quality, especially amongst children. We ought to find ways to increase access to food by piloting the use of SNAP benefits online, strengthening employment and training programs, expanding SNAP education, incentivizing the purchase of more nutritious foods. We ought to address the issue of the cliff, among many other things. All of that would require an increased investment, but I think the return on that investment would be enormous.

Now, I have no idea what a Trump Administration, coupled with a Republican Congress, means for the future of SNAP or other safety net programs. I am worried. Quite frankly, I am terrified. But I spend a lot of time on this stuff. I spend a lot of time with people on SNAP. They don't fit a stereotype. Many aren't employed, and most of them work. The majority who benefit from SNAP are kids and senior citizens. These are good people. They are our neighbors. And yet too often they are ridiculed, and their plight is belittled in the halls of this Congress. That is wrong.

So after 18 hearings, we have learned from both Majority and Minority witnesses that SNAP is not only a good program, but a very good program. It works. And if next year, the Republican leadership wants to block grant or cut the program, or put more hurdles in place to deny people a benefit to put food on their table, be prepared for one hell of a fight, because this is a fight worth having. No one, and I mean no one, should go hungry in the United States of America.

I thank the Chairman. I yield back my time.

The CHAIRMAN. The gentleman yields back.

Now, we will turn to our witnesses, finally. I thank each and every one of you for being here. We have Mr. Eric French, who is Director of Grocery at Amazon, Seattle, Washington. We have Mr. Gunnar Lovelace, Founder/Co-CEO, Thrive Market, Marina del Ray, California. We have Mr. Michael Beal, Chief Operating Officer for Balls Food Stores in Kansas City, Kansas. Ms. Pamela Hess, Executive Director of Arcadia Center for Sustainable Food and Agriculture in Alexandria, Virginia. And I would like to ask Mr. Lucas to introduce our final witness.

Mr. LUCAS. Thank you, Mr. Chairman. I would like to introduce Melinda Newport, the Director of the WIC/Child Nutrition Programs for the Chickasaw Nation's Department of Health, this morning. She has been with the Chickasaw Nation since 1990, and lives in Stonewall, Oklahoma. I would note for the record, from the

perspective of both herself and myself as good Okies, this is Statehood Day in Oklahoma, 109th anniversary of Oklahoma joining the Union. So for all of you who are not familiar with that, you know something extra now.

Again, Melinda, thank you for joining us this morning, and we look forward to hearing about the great work going on in Oklahoma.

I yield back, Mr. Chairman.

The CHAIRMAN. Well, I thank the gentleman. I was not aware that today is Statehood Day for Oklahoma, so good stuff there.

Mr. LUCAS. It wasn't Republic Day, but Statehood Day.

The CHAIRMAN. I got you.

All right, with that, Mr. French, the floor is yours for 5 minutes.

STATEMENT OF ERIC FRENCH, DIRECTOR OF GROCERY, AMAZON, SEATTLE, WA

Mr. FRENCH. Thank you, Chairman Conaway, Ranking Member Peterson, and Committee Members. My name is Eric French, and I am Amazon's Director of Grocery.

Amazon's mission is to be Earth's most customer-centric company. That isn't just a motto; rather, it is how we approach every product or service we design. We start with the customer and work backwards. This approach has served our customers and Amazon well. This is also the approach we take as we envision the future of the SNAP Program.

We are very excited about the prospect of bringing SNAP into the 21st century. The benefits of doing so are quite clear. SNAP recipients would have access to value, selection, and convenience that isn't always available in their own community. Not every community is home to a grocery store, let alone multiple stores, that carry a broader selection of foods and provide the opportunity to comparison shop.

For the elderly and individuals with disabilities, even a nearby grocery store can be difficult to access due to mobility challenges. In single-parent families, and those lacking transportation, they still confront challenges in getting to the grocery store, even if there is one nearby. Access to online grocery shopping can mitigate all of these challenges and more.

E-commerce provides value by enabling consumers to choose the most affordable options when making purchase decisions; allowing them to stretch limited budgets further. Amazon's customers expect to find the lowest prices across our vast selection, so we do the hard work for them. We monitor prices both off-line and online in order to make sure we offer the lowest prices available. And just as we have throughout the history of e-commerce, we will invent new ways of delivering products to our customers in a secure manner.

We also know that SNAP payment security is top-of-mind for policymakers. Current SNAP regulations require the use of a customer PIN at checkout. The capability to accept PINs for online debit transactions is not widespread, largely because technology exists to more effectively secure transactions and authenticate customers. As a technology company and e-commerce retailer, Amazon

continues to innovate around security and authentication to protect our customers.

I would like to share two principle recommendations with the Committee as you continue to examine what the future of SNAP should look like.

First, we believe that the SNAP regulations should be modernized to take into account e-commerce. The current SNAP regulations were written for a brick-and-mortar SNAP Program, yet there are unique opportunities and challenges associated with the SNAP Program in the e-commerce space. The Committee and USDA should consider modernizing the SNAP Program regulations to take into account the many lessons-to-learn expected from the online pilot. Amazon stands ready to share our expertise and be part of this process.

Second, we believe that the regulations around payments should not be technology-specific, but should provide flexibility for innovation, and to take into account e-commerce transactions. Amazon shares the goal of ensuring online SNAP payments are secure. PINs may make sense in a brick-and-mortar setting, but they are expensive to implement online, and are not the best available technology. Regulations should provide some flexibility for innovation around security to better protect SNAP recipients, and mitigate new security risks that may emerge. Congress and the USDA should develop a framework that ensures the security of these transactions without prescribing a specific technology with can quickly become obsolete.

In conclusion, Amazon is very excited about the interest of Congress in exploring the benefits of expanding the SNAP Program to e-commerce. We are excited about this prospect and stand ready to assist Congress and the USDA during the upcoming pilot program and beyond.

Thank you for inviting me to testify. I look forward to your questions.

[The prepared statement of Mr. French follows:]

PREPARED STATEMENT OF ERIC FRENCH, DIRECTOR OF GROCERY, AMAZON, SEATTLE, WA

Thank you, Chairman Conaway and Ranking Member Peterson. My name is Eric French, and I am Amazon's Director of Grocery.

Amazon's mission is to be Earth's most customer-centric company. In everything we do—every product or service we design—we start with the customer and work backwards. This approach has served our customers—and Amazon—well, and this is also the approach we're taking as the U.S. Department of Agriculture (USDA) explores opening the SNAP program to e-commerce. Given our extensive experience in e-commerce, our demonstrated commitment to excellent customer service, and our more recent investment in e-commerce grocery delivery, Amazon looks forward to the opportunity to work with the USDA to ensure a successful expansion of the SNAP program into e-commerce, which we believe can improve access to nutritious foods, selection, and value for SNAP households.

I. The Benefits of SNAP E-Commerce Grocery Delivery

The current SNAP program is limited to traditional brick-and-mortar channels, which can create significant limitations and challenges for the individuals and families the SNAP program is intended to support. Not every community is home to a grocery store, let alone multiple stores that drive competitive pricing and selection. For the elderly, and individuals with disabilities, even a nearby grocery store can be difficult to access due to mobility challenges. In addition, single parent families

and those lacking access to reliable transportation also may struggle to get to a grocery store.

The current restriction on redeeming SNAP benefits online limits the ability of those with food insecurity to stretch their SNAP dollars by comparison shopping and allocating SNAP dollars where they can provide the most benefit. Those with special dietary needs (*e.g.,* gluten intolerance, diabetes) also face limited options and selection when they have access to only what their nearest grocery store carries.

The promise for extending the SNAP program to e-commerce is that those with food insecurity can benefit from the same access to value, selection, and convenience that many of us enjoy.

A. Value

E-Commerce allows consumers the unprecedented ability to choose the most affordable options in making purchase decisions, allowing them to stretch limited food budgets further. This option should be accessible to those with food insecurity, who could benefit the most.

Amazon's customers expect to come to Amazon and find the lowest prices across our vast selection, so we do the hard work for them. Amazon monitors prices—both offline and online—in order to make sure we offer the lowest prices available.

B. Selection

E-commerce retailers have the ability to offer massive selection to customers by leveraging fulfillment networks and sophisticated logistics systems that can determine where best to store items to ensure the quickest, most efficient delivery to customers. Knowing how to leverage such resources is something Amazon not only excels at, but has also developed significant technology to accomplish. The 2 day, 1 day, and same day shipping Amazon has become famous for has been enabled by this technology and our fulfillment network, and has fostered our expansion into grocery retailing and delivery. As a result, we can offer SNAP recipients access to a broad selection of SNAP-eligible foods to meet their dietary needs and preferences.

C. Convenience

By allowing for doorstep delivery, e-commerce also provides SNAP recipients with a new level of convenience. This is particularly important for those with mobility challenges, lack of easy access to reliable transportation, and working and parenting schedules that make getting to the grocery store a challenge, as well as those in food deserts.

II. Potential Challenges

While Amazon already carries an extensive selection of SNAP-eligible healthy, staple foods, we're constantly innovating around the challenge of delivering perishable foods cost-effectively so that the savings can continue to be passed on to our customers. We leverage our significant logistics tools and fulfillment network to accomplish this, and this will become easier as we continue to scale our grocery delivery. We continue to iterate and learn, and hope to have the opportunity to apply our extensive knowledge to the SNAP space and enable a successful expansion of the program to e-commerce, which would provide tremendous benefits to SNAP recipients.

A. Potential Challenges and Opportunities with Delivery

Theft of grocery deliveries has been raised as a concern by Committee staff, and this challenge is not limited to the SNAP e-commerce delivery space; this is a challenge the e-commerce model has confronted more broadly, but one that has been largely mitigated over the years. Amazon is constantly inventing on behalf of customers, including inventing new ways to deliver products. Two examples of recent innovations include Amazon Fresh attended delivery and Amazon Lockers. In the unlikely event a package is stolen, Amazon has a longstanding record of offering customers refunds or replacements for missing deliveries, and this would extend to customers using SNAP benefits should the program be expanded to e-commerce.

B. Online EBT Payments

Current SNAP regulations require the use of a customer PIN at check-out, and this requirement extends to the online redemption of SNAP benefits under the USDA online demonstration project. The capability to accept PINs for online debit transactions is not widespread, largely because alternative technology exists to more effectively secure transactions and authenticate customers. For example, Amazon allows for PIN-less debit because the PIN does not necessarily provide better security or authentication than other tools and technology currently available. As a tech-

nology company and an e-commerce retailer, Amazon continues to innovate around security and authentication to protect our customers and maintain their trust.

III. Recommendations

The USDA's current SNAP regulations were written for a brick-and-mortar SNAP program. While Amazon is encouraged by the willingness of Congress and the USDA to explore the benefits of the online redemption of SNAP benefits, we also urge consideration of the unique opportunities and challenges of e-commerce. Rather than simply extending the existing SNAP regulations to e-commerce (assuming a successful pilot), there should be some consideration of the unique characteristics of e-commerce retail and grocery delivery. Modernizing the SNAP program should also include modernization of the regulations, taking into account the many learnings expected from the online demonstration project. Amazon stands ready to share our expertise and be a part of this process.

Amazon agrees the goal of online SNAP benefit redemption should be for door-step delivery; after all, this is one of the largest value propositions of e-commerce and has been offered by Amazon since our founding in 1995. While Amazon offers customers flexible options for grocery delivery, such as attended delivery, the USDA should explore additional options for food delivery under the SNAP program. Amazon is aware of food delivery programs in communities like Baltimore that employ a neighborhood-based pick-up option as a way to mitigate the potential challenges with door-step delivery.

Amazon shares the goal of ensuring online SNAP payments are secure. Security and customer trust are central to everything Amazon does and creates, and we invest heavily in protecting our customers and securing payments. As outlined earlier, more effective tools and technology currently exist to secure online transactions and authenticate customers. PINs should be a floor rather than a ceiling in securing online payments, and the SNAP program should provide some flexibility for innovation around security to better protect SNAP recipients and mitigate new security risks that may emerge. Amazon would like to work with Congress and the USDA to develop a framework that ensures the security of these transactions without prescribing specific technologies that could quickly become outdated. Furthermore, allowing for flexibility in meeting security standards could allow for broader participation of e-commerce grocery retailers, which would benefit SNAP recipients by offering them greater selection in online retailers.

IV. Conclusion

Amazon is excited that Congress and the USDA support the exploration of online SNAP benefit redemption.

By enabling online redemption of SNAP benefits, recipients would have access to Amazon's wide variety of SNAP-eligible food options available for home delivery. This would open up new options for millions of SNAP recipients, while providing our existing customers who are SNAP recipients with the ability to stretch their SNAP dollars and choose the payment type that is best for them. We are excited about this prospect and stand ready to assist Congress and the USDA during the upcoming pilot program and beyond.

Thank you for inviting me to testify. I look forward to your questions.

The CHAIRMAN. Let the record reflect he ended his statement with an extra minute left. Thank you, Mr. French.

Mr. Lovelace, your 5 minutes.

STATEMENT OF GUNNAR LOVELACE, FOUNDER AND CO-CHIEF EXECUTIVE OFFICER, THRIVE MARKET, MARINA DEL RAY, CA

Mr. LOVELACE. Chairman Conaway and distinguished Members of the Committee, it is an honor to be here with you all today, to be able to testify about how technology and expanding access to healthy food has the potential to save billions of dollars in downstream medical costs in our economy.

My name is Gunnar Lovelace. I am the founder and co-CEO of Thrive Market. Our mission is to make healthy living easy and affordable to everybody. The way that we do that is we buy directly from brands and cut out all the middlemen, offering the highest quality organic groceries that you would get at a normal health

food store, but at 25 to 50 percent off. Instead of making money on the product sales themselves, we charge a $60 annual membership fee, which allows members all over the country to be able to order online and be able to get those groceries shipped to their home. For every paid membership, we give a membership away to a low-income family, a veteran, a teacher, or a student.

The mission of making healthy living affordable and accessible to everybody is something that is deeply personal to me. I grew up very poor, with a single mom, saw how hard she worked to make healthy choices. And when my mother remarried, my stepfather was running a food co-op out of a farm, where I got to see firsthand the power of group buying as a way to make food more affordable and build community.

As I progressed in my entrepreneur career, starting and selling a couple of software companies, I felt like there was an incredible opportunity to disrupt access to healthy food with technology. In the last 2 years, we have been able to do that with our investors, our co-founders, our hardworking employees, and our members. We have gone from one employee working out of my house, to working out of the backroom of a church, to now more than 600 employees nationally. This is a vision that we care about very, very deeply. We have raised over $140 million from 350 investors, and it is something that we are excited to continue.

As we know, we face huge health epidemics in this country that are really systemic from pervasive lifestyle diseases. More than 70 percent of our population is overweight or obese. We spend $245 billion a year on diabetes-related illnesses, $444 billion a year on heart-related illnesses. These are just two examples of lifestyle diseases that are largely driven by dietary habits. The numbers are only increasing in a negative trend, and they disproportionately affect low-income communities.

Today, you can buy almost anything online, but you cannot use your SNAP benefits to use e-commerce to get healthy food for less. This is a classic example of the digital divide, and it is something that we have been focused on, because 50 percent of the families that are in our giving program that receive free memberships are on SNAP.

One of the biggest concerns that we have heard about bringing SNAP online is the potential for fraud and abuse. We understand the concern, yet e-commerce is a fundamentally database-driven technology that allows for extreme precision and classification of reporting, meaning that 100 percent of the funds that go towards purchasing online can go towards 100 percent approved SNAP products. Not only that, we are able to provide incredibly precise, transparent, and real-time reporting to the USDA on aggregate purchasing behavior in a way that doesn't exist amongst current national retailers who accept SNAP.

On June 27 of this year, we launched a national campaign in support of the USDA committing to a firm timeline to bring SNAP online. We assembled a broad coalition of influencers, bloggers, nonprofits, and brands that we work with, to have a synchronized conversation around this that drove over 325,000 petitions, 400 million media impressions around this issue. And we understand that SNAP is a very complex, often controversial program, and we

applaud the USDA and their efforts to have a thorough, deliberate, and transparent process.

Partially in response to our campaign, the USDA committed to a specific timetable of launching a pilot program in a few key states in the first half of 2017. We have obviously applied for this program. We are excited to be part of it, but even if we don't get into the pilot in the first wave, we are excited to see that SNAP is coming into the 21st century.

Philosophically speaking, one of the things that is so gratifying about the work that we do, and I know that you guys can all relate to this, is that helping people access healthy food, helping people live a healthier lifestyle, is a hyper-scalable organizing principle that transcends ideology. It doesn't matter who you are, where you live, what the color of your skin is, everybody wants to feel good in their bodies, everybody wants the same thing for their children. And when we help people access healthy food for less, we are empowering families across this country, we are empowering communities, but we are also dealing with major macroeconomic issues with spiraling medical costs.

It is an honor to be here to discuss how technology can drive innovation. We are excited to be part of that with SNAP in the long-term. We are building all sorts of other health incentive programs. So we look forward to the opportunity to collaborate, and we look forward to your questions.

Thank you so much.

[The prepared statement of Mr. Lovelace follows:]

PREPARED STATEMENT OF GUNNAR LOVELACE, FOUNDER AND CO-CHIEF EXECUTIVE OFFICER, THRIVE MARKET, MARINA DEL RAY, CA

Chairman Conaway and distinguished Members of the Committee, thank you for having me here today to testify regarding how technology can expand access to healthy food in a way that can save billions of dollars in downstream medical expenses.

My name is Gunnar Lovelace and I'm the Founder and Co-CEO of Thrive Market, the fastest growing health food e-commerce company in history.

Thrive Market's mission is to make healthy living easy and affordable for everyone. We do that by buying from health food brands directly, cutting out the middlemen and passing those savings along to our members, who pay $60 a year for access to the club. For every paying member we give away a free membership to a low-income family, a veteran, a teacher or a student, through our Giving program.

The desire to make healthy living affordable to everyone is something that is informed by personal experience. I grew up poor with a single mom and saw how hard she worked to make healthy choices for our family. When my mother remarried, my stepfather was running a food co-op on an organic farm, where I got to see firsthand the power of group buying as a way to make food more affordable and build community.

Later, as I progressed in my entrepreneurial career—starting and selling two technology companies—I always felt like there was an opportunity and responsibility to disrupt access to healthy food with technology. Together with my co-founders, our investors, employees and members, we have brought this vision to life at Thrive Market. Since launching the business in 2014, we have grown from one employee working out of my house, to more than 600 employees nationally working out of multiple locations in three states. We have raised over $160 million in investment capital from over 350 value-aligned investors.

Through our Giving program, we partner with NGOs nationally to distribute free memberships and also accept applications on our site. Earlier this year we rolled out a program called Spread The Health, where our members may contribute a portion of their grocery savings directly to Thrive Gives members, offsetting the cost of their first few purchases through stipends. This helps people who are struggling with the affordability of healthy food, or don't have geographic access to grocery

stores selling healthy food in their community. We also try to break down the educational barriers that some face by providing recipes, starter kits, and other content that helps make healthy living more accessible.

This is all critically important right now, because our country is facing a health crisis. The emergence of lifestyle diseases is an epidemic ravaging our economy and our communities. More than 70% of our population is overweight or obese: 29.1 million Americans have diabetes. We spend $245 billion on diabetes and $444 billion on heart disease each year. These are just two examples of lifestyle diseases partly caused by dietary habits. And these numbers are only increasing. These lifestyle diseases disproportionately affect low income individuals, and we need to do something to help the 46 million Americans who are depending on SNAP benefits to feed their families and themselves.

My testimony will briefly discuss how technology can help break down barriers for low income families in the United States, many of whom lack access to healthy food. I will then discuss some of the gaps, including the fact that SNAP benefits still cannot be used online, and will propose some solutions to help address these barriers.

The proliferation of technology, specifically information technology, has increased in ways that no one could have predicted. Presently, 75% of individuals living in poverty have a smartphone. Through their smartphone, they can now order goods and services that may have previously been out of reach to them, either geographically, or in some cases, financially. Some goods and services benefit from the direct-to-consumer channel that the Internet has made possible, in that brands can reach their consumer directly instead of operating through a middleman, and can reduce their prices accordingly. For example, Amazon sells books at about 50% less than they could be purchased for at bookstores, because they don't have the retail costs and markups that a bookstore charges. Thrive Market is able to achieve cost savings of approximately 25–50% off retail prices, by buying directly from our suppliers, bypassing traditional distribution channels, stripping out all intermediary costs, and passing those cost savings directly to our members.

The Internet, then, makes goods more financially affordable, and more geographically accessible, which is especially relevant as it relates to food, as 23 million people around the country live in food deserts, areas without access to healthy food. One in five children are classified as food-insecure. Another fact of note is that only 30% of families living in poverty own a car, which means that their mobility is severely limited when it comes to purchasing groceries. For years, people have only been able to buy the food that is in their neighborhood, and have been dependent on the decisions of grocers and farmer[s'] markets to open in their areas, variables that are out of their control.

Now all that is changing, thanks to the Internet and the proliferation of smartphones, even for those living in poverty. At Thrive Market, we have given away tens of thousands of free memberships to families all over the country, many of whom are buying healthy, natural products for the first time. We have also given away hundreds of thousands of dollars in stipends to help our lowest-income members afford to buy the food on our site, which is priced to be in line with the retail prices of conventional equivalents.

It's amazing that in the 21st century you still can't use SNAP benefits online, but one can buy almost anything else online. This example of the digital divide has been a focal point for us because more than 50% of the families in our Giving program are on government assistance. We know that 83% of all SNAP benefits go to a household with a child, senior or disabled person, lifting 4.7 million Americans out of poverty each year. Every $1 spent on SNAP results in $1.73 of economic activity. Given increased levels of Internet connectivity, if SNAP were brought online nationally, the positive effect on our nation's most vulnerable populations would be immediate and dramatic.

The biggest concern we've heard about bringing SNAP online from various stakeholders were questions about how fraud was going to be managed. There was a concern that funds would be used to buy products that are not SNAP approved. The power of e-commerce is that it is fundamentally a database driven technology that allows for precision in classification and reporting. This means we can easily categorize the grocery products in our database which are SNAP approved. Not only do we have full control of what recipients can spend their money on, we also can provide extremely precise and transparent reporting to the USDA on purchasing behavior in a way that doesn't easily exist amongst current retailers accepting SNAP.

On June 27th of this year, we launched a national campaign in support of the USDA bringing SNAP online. We assembled a broad coalition of influencers, brands, media partners, NGOs, celebrities and bloggers to drive a synchronized conversation nationally around this issue. By utilizing our network to spread the word about the

need to bring SNAP online, we galvanized a coalition, gathered 325,000 signatures in support, and generated 400 million media impressions, all in just 3 months.

In response to our campaign, the USDA has committed to a specific timetable for launching an online SNAP pilot program in a few key states in the first half of 2017. We are in the process of applying to be a part of that pilot, and regardless of whether we as a company are a part of the pilot, we are encouraged that tangible steps are being taken to bring SNAP into the 21st century.

We would strongly encourage the USDA to roll out the pilot more quickly, and then to expand the pilot nationally in a rapid time frame, so that all American families across the country can access healthy food.

Innovation in the SNAP program is vital. From a pure economic perspective, if we are going to have a $74 billion annual SNAP program, we need to make sure that the food we are giving families isn't causing them to get sick, resulting in increased taxpayer costs to the medical system downstream via ballooning lifestyle diseases.

Conclusion: Helping people to get healthy is a hyper-scalable organizing principle that transcends ideology. It doesn't matter who you are, where you live, what the color of your skin is, or whether you are a liberal or conservative. Everyone wants to be healthy and everyone wants the same thing for their children. A robust Federal effort to push forward innovation in the SNAP program and expand the program quickly, so that all SNAP participants can participate, will help save billions of dollars in health care spending in the long run, and will help low-income families in our country live healthier, happier lives.

The CHAIRMAN. Thank you, Mr. Lovelace. I appreciate that.

Mr. Beal, 5 minutes.

STATEMENT OF MICHAEL J. BEAL, J.D., VICE PRESIDENT, SECRETARY, AND CHIEF OPERATING OFFICER, BALLS FOOD STORES, KANSAS CITY, KS; ON BEHALF OF NATIONAL GROCERS ASSOCIATION

Mr. BEAL. Good morning, Mr. Chairman, Ranking Member Peterson, and Members of the Committee.

My name is Mike Beal, and I am the Chief Operating Officer of Balls Food Stores. It is an honor and privilege to be here with you today.

Balls Food Stores is a locally owned, third generation, family-owned company, started by Mollie and Sidney Ball in 1923. We currently own and operate 27 retail grocery stores in the greater Kansas City metropolitan area under a few different banners, but primarily Hen House and Price Chopper Foods. Our stores are full-service supermarkets, and have accepted SNAP as a form of tender, essentially since each location opened.

Balls Food Stores provides jobs in our local community for approximately 3,200 teammates. We operate a small distribution center that operates primarily to allow us to buy large quantities of merchandise, and to purchase and distribute local produce for our stores. Balls Food Stores is one of the early adopters of the buy local produce movement nationally; so much so that we worked with the Kellogg Foundation in their efforts to develop a distribution model to bring fresh, nutritious, and affordable food to consumers around the country.

Balls Food Stores is a member of the National Grocers Association, and I was honored when NGA asked me to share our story and successes with the Double Up Food Bucks Program with this Committee. I believe our success with the program has been fantastic for the communities, our stores served, and our SNAP customers who are now able to stretch their benefits further, while

purchasing local produce and supporting local farmers in our communities.

The Double Up program operated by Balls Food is a result of a collaboration between Balls Food and five other entities. The primary goals of the program are: first, provide access to and increase affordability of fresh fruits and vegetables for recipients of SNAP benefits; second, provide greater opportunities for local farmers to increase their income by selling more produce locally; and third, provide more dollars to the local community.

In 2015, we launched a pilot Double Up program in four of our Price Chopper stores. A fifth Price Chopper was added in late 2015. Because of our success, we were able to convert the pilot to a year-round program, operating in all 14 of our Price Chopper stores in 2016.

The premise of the Double Up program is very simple: for each dollar a SNAP customer spends on local produce, using an EBT card to pay, that customer earns a dollar to spend on fresh produce on a future shopping trip, up to $25 per day in earnings. The earnings by the SNAP customer are accumulated throughout the year until that customer notifies our cashier that they want to spend some or all of their earnings on any type of produce on a later shopping trip.

The execution of the Double Up program relies primarily on technology currently being used by many grocers. First, we designate local produce items using a simple product code for each locally grown item. Second, our point-of-sale system is programmed to look for transactions in which local produce items are purchased using an EBT benefit card for payment. And last, when customers shop at our Price Chopper stores using their loyalty card, that customer's earnings from the purchase of local produce items is then accumulated by our loyalty software system for future produce spending by that customer, whether or not an EBT card is used on the future purchase. This allows our SNAP customers to purchase healthy produce items throughout the year.

Additional components of the program are properly identifying local produce items using specific signage in the produce department, properly training store produce teammates, management teammates, and cashiers, and establishing relationships with local farmers. A solid distribution system for local products is crucial to having a strong program, as this adds to the local produce variety. If there isn't a fairly good selection of locally grown produce items that are well marked in the produce department, customers get frustrated and are less likely to use the program.

Much of the success of our program can be attributed to our cashiers, who have been tasked with the job of explaining the program to SNAP customers. Many customers believed there was a catch, because no one gets something for free for doing something they would like to do if they had the financial resources to purchase healthier food products. The pilot was designed so that the purchase history of SNAP customers could be measured over time to determine if the program has led to the purchase of healthier food items by SNAP customers. Our program partners are currently analyzing our massive data collection to confirm healthier purchase habits by SNAP customers.

There were 9,874 different unique customers that participated in our pilot program, and those customers accounted for over 23,400 Double Up transactions. Over 60 percent of the Double Up dollars earned were redeemed; a very high redemption rate, according to other grocers. The high redemption rate in our stores has actually increased to over 70 percent as of May 2016.

We at Balls Food Stores strongly believe that the Double Up program has encouraged our customers to eat healthier, and to try new fruits and vegetables. We believe the Double Up program is very feasible and can be replicated by most grocers around the country. In just a few months, thousands of SNAP families were able to take part in the Double Up pilot program. Programs like Double Up are important in that they incentivize customers, without mandating a purchase of healthy food. In my opinion, a free market-based program is always preferable to a mandated government program.

Thank you, and I welcome your questions.

[The prepared statement of Mr. Beal follows:]

PREPARED STATEMENT OF MICHAEL J. BEAL, J.D., VICE PRESIDENT, SECRETARY, AND CHIEF OPERATING OFFICER, BALLS FOOD STORES, KANSAS CITY, KS; ON BEHALF OF NATIONAL GROCERS ASSOCIATION

Good morning Mr. Chairman, Ranking Member Peterson, and Members of the Committee. My name is Mike Beal, and I am the Chief Operating Officer of Balls Food Stores. It is an honor and a privilege to be here with you today.

Balls Food Stores is a locally owned, third generation, family owned company started by Mollie and Sidney Ball in 1923. Our company is currently led by David Ball, who follows his father, Fred Ball, a person who was known nationally in the grocery industry for his innovation, character and charity to our community. Balls Food Stores currently owns and operates 27 retail grocery stores in the greater Kansas City, Kansas and Missouri metropolitan area under a few different banners, but primarily Price Chopper and Hen House. Our stores are all full service supermarkets and have accepted SNAP as a form of tender essentially since each location opened.

I started working with our company during my senior year in college. After receiving my Bachelor degree in Civil Engineering at the University of Kansas in 1979, I returned to the University of Kansas to earn a Masters in Business Administration, all the while working with the company in our stores. After completing my Masters in 1981, I worked in our stores until returning to school to earn a Juris Doctorate degree from the University of Missouri at Kansas City. I practiced law for 9 years in the areas of corporate mergers and acquisitions, general corporate law and corporate finance, before returning to Balls Food Stores in 1998 to become its Chief Financial Officer. In 2012, I assumed the position as the Chief Operating Officer of Balls Food Stores.

Balls Food Stores provides jobs in our local community for approximately 3,200 teammates, including a subsidiary that produces some of the best pies in the country for many grocers around the country. We have hundreds of teammates that have worked for us longer than 20 years and we operate a small distribution center that operates primarily to allow us to buy large quantities of merchandise at discount and to purchase and distribute local produce to our stores and other local grocers. Balls Food Stores was one of the early adopters of the buy local produce movement nationally, so much so that we worked with the Kellogg Foundation in their efforts to develop a distribution model to bring fresh, nutritious and affordable food to consumers around the country. Our company was a founding member of our grocery wholesaler, Associated Wholesale Grocers, Inc. (AWG), a member cooperative supplying over 3,800 stores in 35 states.

The Price Chopper banner or trade name we operate is licensed to us by AWG. There are 37 other retail grocery stores in the Kansas City metropolitan area that also use the Price Chopper trade name in their business. Those 38 stores are owned and operated by four other families who are also members of AWG.

Balls Food Stores is a member of the National Grocers Association (NGA), and I was honored when NGA asked me to share our story and successes with the Dou-

ble Up Food Bucks (DUFB) program with this Committee. I believe our success with the program has been fantastic for the communities our stores serve and the Supplemental Nutrition Assistance Program (SNAP) customers who are now able to stretch their benefits further while purchasing local produce and supporting local farmers in our communities.

The DUFB program operated by Balls Food Stores is the result of a collaboration of a number of entities: Good Natured Farms, Inc., the Fair Food Network, the University of Kansas Medical Center, the Mid-America Regional Council, and the Health Care Foundation of Greater Kansas City. The primary goals of the program are to: (1) provide access to and increase affordability of fresh fruits and vegetables for recipients of SNAP benefits, (2) provide greater opportunities for local farmers to increase their income by selling more produce locally and (3) provide more dollars to the local community.

The idea for the DUFB program was brought to us by Diana Endicott, the owner of Good Natured Family Farms. Diana has partnered with our company for the better part of 15 years and has introduced to us over 150 family owned local farmers operating within 200 miles of Kansas City. Ms. Endicott is well known nationally for her work with local farmers, local farm initiatives and healthy eating initiatives. It was while working with the Kellogg Foundation and their healthy, affordable, local food initiative that Diana was introduced to Dr. Oran Hesterman, the President of the Fair Food Network. Dr. Hesterman had some creative ideas to increase markets for local farmers and provide healthier food options for people. Initially, the DUFB program was piloted by the Fair Food Network in Michigan at local farmers' markets. While successful, there was a realization that offering the program at retail grocery stores would reach more SNAP customers and provide an opportunity to better evaluate SNAP recipients' purchasing habits over time because grocers have the capacity to retain customer purchase data. Local farmers' markets typically do not utilize technology that will permit anyone to analyze customer purchase data.

In 2015, we launched a pilot of DUFB in four of our Price Chopper stores in the Kansas City area. Because of the initial success of the program, a fifth Price Chopper store was added late in the summer of 2015. We experienced tremendous success with the pilot and were able to convert the pilot to a year-round program operating in all 14 of our Price Chopper stores in 2016. It is the goal of Balls Food Stores and the other partners in the DUFB program to extend the DUFB program to the remaining 37 Price Chopper stores in the Kansas City area in 2017.

The premise of DUFB is very simple: for every dollar a customer spends on local produce using an EBT card to pay, that customer earns a dollar to spend on produce from any source on a future shopping trip, up to $25 per day in earnings. The "earnings" by the SNAP customer are accumulated throughout the year until that customer notifies our cashier that they want to spend some or all of their earnings on any type of produce on a later shopping trip.

The execution of the DUFB program relies primarily on technology currently being used by many grocers: (1) we designate local produce items using a unique product code for each locally grown item, (2) our point of sale system (POS) is programmed to look for transactions in which local produce items are purchased using an EBT benefit card for payment and (3) when customers shop at our Price Chopper stores using their loyalty card (which is free to customers), that customer's earnings from the purchase of local produce items is then accumulated by our loyalty software system for future spending by that customer, whether or not an EBT card is used on the future purchase and whether or not local produce is purchased in the future. This allows our SNAP customers to purchase healthy produce items throughout the year (even at times when locally grown items are not as plentiful because of growing seasons) and to purchase all of their produce for their holiday family meals, if desired.

The beauty of the DUFB program we operate is its simplicity—our SNAP customers shop like they normally do using their loyalty cards (which also provide discounts off of many other grocery items sold in our stores) and pay using their EBT card, with the only difference being that the purchase of locally grown produce items with their EBT card earns them incentive dollars to buy more nutritious fruits and vegetables. A SNAP customer doesn't have to enroll in our DUFB program and they don't need to remember to bring anything back to the store to redeem their incentives.

Additional components of the DUFB program that contribute to its success are properly identifying local produce items to customers using specific signage in the produce department, properly training store produce teammates, management teammates and cashiers and establishing relationships with local farmers to purchase their products. Many grocers around the country have relationships with local farm-

ers in place; however a solid distribution system for those products is crucial to having a strong DUFB program as this adds to the local produce variety available to SNAP customers. If there isn't a fairly good selection of locally grown items that are well marked in the produce department, customers get frustrated and are less likely to use the program.

Our cashiers inform SNAP participants of the money they've earned by purchasing local produce. We have seen SNAP customers purchase enough local produce that their entire produce order during their next trip is given to them free of charge, which is fantastic.

Much of the success of our program can be attributed to our cashiers. Our cashiers have been tasked with the job of explaining the program to SNAP customers, and they have done an excellent job making sure our customers understand the program, which items are eligible for the Double Up match, and most importantly, why they are receiving these benefits to redeem in the store. One thing we learned very early in the program was that many customers didn't use the program initially because they thought it was too good to be true. Many customers believed there was a "catch" because "no one gets something for free" from doing something they would otherwise like to do if they had the financial resources to purchase healthier food products for their family. It was only because of our cashiers that our customers understood that "free" really meant free as a result of purchasing local produce.

As I have previously mentioned, this program has seen tremendous success in our stores. The pilot was designed so that the purchase history of SNAP customers could be measured over time to determine if the DUFB program has led to the purchase of healthier food products by those customers. Our program partners are currently analyzing our massive collection of purchase data history in our POS system to confirm healthier purchase habits by SNAP customers. In addition, during the pilot, one of our program partners interviewed both SNAP and non-SNAP customers, along with some of our store teammates, to learn their thoughts about the DUFB program. In total, 1,422 customers were interviewed: 104 of whom were DUFB participants, 332 SNAP customers who did not participate in the DUFB program and 986 non-SNAP customers. Fifty five store teammates also were interviewed about their experience with the program and the value it provides to customers.

The DUFB participants surveyed reported that they generally had increased their purchase and consumption of fruits and vegetables, which we would all agree are healthy food choices. In addition, those same customers reported that they were budgeting differently for groceries because of the DUFB program.

Of the 332 SNAP customers not participating in the DUFB program, most of them stated that they were very or somewhat likely to participate in the DUFB program on their next visit. The consensus of the 986 customers surveyed who were non-SNAP customers was that the DUFB program helps SNAP customers save money, encourages healthier eating habits and supports local farmers.

The survey of our 55 teammates reported that our cashiers found the DUFB program was easy to implement, our cashiers expressed appreciation for a program that helps lower income families eat healthier (more than a few of our cashiers were once SNAP recipients themselves), our store directors felt that our produce departments had a greater focus on locally grown produce as a result of the DUFB program and our store directors expressed appreciation for participating in the DUFB program and would welcome the opportunity to participate in the program in the future.

There were 9,874 different customers that participated in the pilot program and those customers accounted for over 23,400 DUFB transactions starting in June of 2015. On average, our pilot stores saw 2,670 SNAP customers per month during the pilot program. The stores in the pilot program had between 8.7% and 14.5% EBT business as a part of their regular business. We were very pleased that, between June and the end of December 2015, over 60% of the DUFB dollars earned were redeemed, representing over $42,200 in produce purchases by those customers. That is a very high percentage of redemption according to all the grocers we have talked to about redemption of any store incentive program. The high redemption rate in our stores has actually increased to over 70% as of the end of May 2016. In addition, Balls Food Stores experienced over a 12% increase in sales of local produce items at the pilot stores compared to the prior year.

We at Balls Food Stores believe strongly that the DUFB program has encouraged our customers to eat healthier and try new fruits and vegetables. We believe the DUFB program is very feasible and can be replicated by most grocers around the country as long as those grocers have a loyalty system to accumulate earning incentives. Most non-SNAP customers were supportive of the DUFB program and most SNAP customers who hadn't used the program were likely to use the program in the future. DUFB customers reported that the program is easy to use and helped

them save money while eating healthier. Importantly, the potential reach of the DUFB program in grocery stores is immense. In just a few months, thousands of SNAP families were able to take part in the DUFB pilot program.

Although there is compelling evidence that diets rich in fruits and vegetables can lower the risk of many chronic diseases, cost has been a major barrier to purchasing fresh produce. Programs like DUFB are important in that they incentivize customers without mandating the purchase of healthy food. In my opinion, a free market based program is always preferable to a mandated government program. Providing a program like DUFB in our stores has allowed our SNAP customers to learn more about healthy eating, to try new produce, and to stretch their SNAP dollars further, without spending more out of their pockets. We are helping customers and their families afford fresh produce and are working to improve their health by offering this program.

ATTACHMENT

Double Up Food Bucks Kansas City Pilot Program

May 2016

Cheryl A. Gibson, Ph.D., Heather Valentine, M.S., R.D., Sarah Liljegren, B.S., The University of Kansas Medical Center

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The evaluation team also thanks the individuals who took the time out of their demanding schedules to participate in the interviews. These individuals provided insight into how to enhance the Double Up Food Bucks program, providing suggestions on implementation, training, operations, and continued maintenance. Additionally, we thank the following individuals at Price Chopper who were instrumental in the evaluation project. We thank Bill Esch for his help in facilitating the interview process with cashiers. We also express gratitude for Scott Bayne's help in understanding units of locally grown produce sold and sales figures. Appreciation is also extended to Lindy Zimmerman, who shared volumes of transaction data with us so that we could track purchasing habits and redemptions.

The evaluation team acknowledges Donna Martin, Mid-America Regional Council, for her thoughtful review of the findings, and her input during the drafting of the final evaluation report. Finally, we thank the many research assistants who contributed to the completion of the evaluation project: Ahnna Nanoski, Katie Green, Leslie Gedminas, Rebecca Mount, Scott Misamore, Taylor Craven, and Zach Boal.

Executive Summary

Double Up Food Bucks (DUFB) is a program designed to increase access to and affordability of fresh fruits and vegetables for beneficiaries of the Supplemental Nutrition Assistance Program (SNAP). The DUFB program was launched at four Price Chopper locations in the Kansas City metropolitan area in the summer of 2015. A research team at the University of Kansas Medical Center conducted a mixed-methods evaluation to assess the program's impact as well as benefits and challenges to the program. Overall, feedback gained about the program was positive and supportive.

Customer Surveys

- Non-SNAP customers were supportive of the program and thought it provided benefits for SNAP customers, including saving money and eating healthier.

- SNAP customers who had not used the program reported they were likely to utilize the program during their next visit to the store.
- DUFB participants reported that the program was easy to use and was helping them eat healthier as well as save money.

Price Chopper Employee Interviews

- Price Chopper employees enjoyed helping a portion of their customers eat healthier and save money.
- Employees reported that the program was easy to implement and did not add a burden on the time to process transactions.
- Store directors were satisfied with their participation in the program and reported they would choose to implement the program again.

Transaction Data

- Transaction data displayed a redemption rate of 61% through the end of 2015.
- A total of over 8,600 unduplicated customers participated in the program from June through December.
- An increase of local produce sold was seen across the pilot stores.

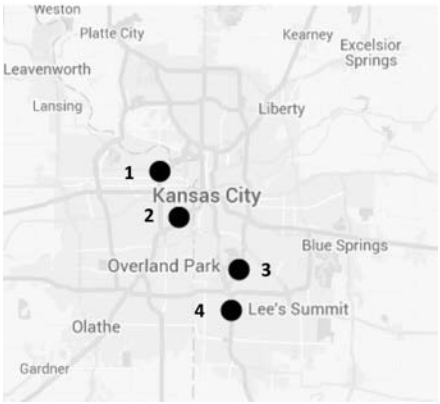
Recommendations

- Recommendations for enhancing implementation of the program emphasize increased communication and awareness of the program, for both grocery store employees and program customers.

Introduction

The Double Up Food Bucks (DUFB) grocery store pilot program was launched in the Kansas City metropolitan area in the summer of 2015. Four Price Chopper stores were included in the pilot program, with stores located in both Kansas and Missouri. See *Figure 1* for these Price Chopper locations that piloted the DUFB program. The Price Chopper store on Roe Boulevard launched the DUFB program on June 11, 2015, while the other three stores launched the program on July 1, 2015. Although not included in the evaluation plan, a fifth store (located on State Avenue) began implementing the program in September due to customer requests.

Figure 1. Pilot DUFB Price Chopper Locations



Store	Location
1	4301 State Ave, Kansas City, KS
2	4950 Roe Blvd, Mission, KS
3	9550 Blue Ridge Blvd, Kansas City, MO
4	12220 S. U.S. Hwy. 71, Grandview, MO

The goal of the DUFB program is to increase access to and affordability of fresh, nutritious fruits and vegetables for beneficiaries of the Supplemental Nutrition Assistance Program (SNAP). Additionally, the program aims to support local farmers and the local economy. To achieve these goals, the program provides a match of $1

that can be spent on any fruits or vegetables when customers purchase $1 of local produce using their SNAP benefits on their Electronic Benefit Transfer (EBT) card. The program utilizes Chopper Shopper loyalty cards to track the local produce purchases and the earned incentives. Earned Double Up Food Bucks can be used that same day or saved for future use. The DUFB program has previously been implemented successfully in several areas nationwide, including Michigan, Arizona, New Mexico, New York, Ohio, Oklahoma, Oregon, and Utah.

Mid America Regional Council (MARC) in collaboration with Fair Food Network (FFN) contracted with the University of Kansas Medical Center to evaluate the incentive program at the four Price Chopper pilot locations. The primary objective of the evaluation was to track the implementation process of DUFB and provide insight for methods to improve this process for potential replication at other grocery stores. The evaluation sought to meet this objective by assessing customer viewpoints through the administration of intercept surveys, in-depth interviews with cashiers and store managers, environmental scans of the store environment and assessment of transaction data.

Methodology

Evaluation of the Double Up Food Bucks (DUFB) program involved a mixed-methods approach including customer surveys, Price Chopper employee interviews, and analysis of transaction data.

Feedback from Price Chopper customers on the DUFB program was garnered using surveys conducted by trained research assistants at the participating grocery stores. The survey sampling plan and schedule was developed and implemented based on times SNAP customers most frequently shopped at the stores. Surveys were conducted on weekdays and weekends as well as during daytime and evening hours to help capture customers who may shop at different times and days of the week.

In addition to conducting customer surveys, interviews were completed with Price Chopper employees to gain feedback about their experiences with implementation of the program. Interviewers met with Price Chopper cashiers, produce managers and store directors, utilizing standardized interview instruments. Interviews were digitally recorded, transcribed, and analyzed for themes across all responses.

Program transaction data was shared by Price Chopper and used to examine purchasing trends by program customers. Excel was used for data analysis.

Customer Survey Data

To evaluate the perceptions of Price Chopper customers about the Double Up Food Bucks (DUFB) program in the Kansas City metropolitan area, trained research assistants from the University of Kansas Medical Center (KUMC) surveyed individuals at the four pilot grocery stores. The administration of intercept surveys took place over the span of 4 months, from July through October of 2015. Surveyed individuals included: (1) non-SNAP customers, (2) SNAP customers who ***had not*** used the DUFB program, and (3) SNAP customers who ***had*** used the DUFB program.

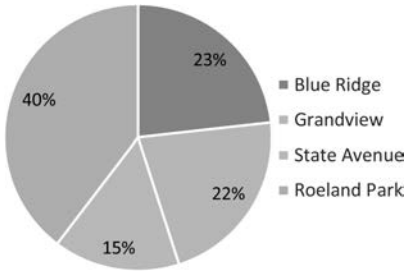
As the survey data was collected, responses were entered into a database. Once surveying was completed, the responses were verified against the hard copies and analyzed.

The following section provides a summary of responses gathered from the three customer groups.

Non-SNAP Customers

Nine hundred eighty six (n=986) surveys were completed by non-SNAP customers. Of the store locations, 229 (23%) non-SNAP customer surveys were completed at Blue Ridge, 215 (22%) were completed at Grandview, 151 (15%) were completed at State Avenue, and 391 (40%) were completed at Roeland Park (see *Figure 2*). See *Appendix A* for the survey instrument utilized for non-SNAP customers.

Figure 2. Locations of Surveys Completed by Non-SNAP Customers



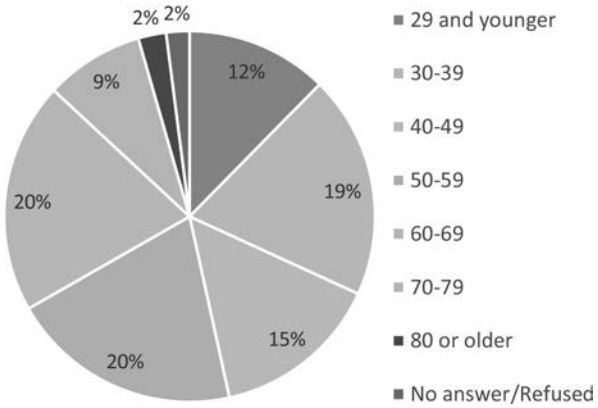
When asked in what [ZIP C]ode they resided, respondents gave answers representing 83 different [ZIP C]odes. Many participants indicated that they live in Wyandotte County (KS) or Jackson County (MO). See *Table 1* for the five most commonly reported [ZIP C]odes of non-SNAP customers.

Table 1. Most Commonly Reported [ZIP] Codes of Non-SNAP Customers

[ZIP] Code	Number of Respondents	City	County	State
64134	144 (15%)	Kansas City	Jackson	MO
64030	109 (11%)	Grandview	Jackson	MO
66103	85 (9%)	Kansas City	Wyandotte	KS
66102	82 (8%)	Kansas City	Wyandotte	KS
66205	65 (7%)	Mission	Johnson	KS

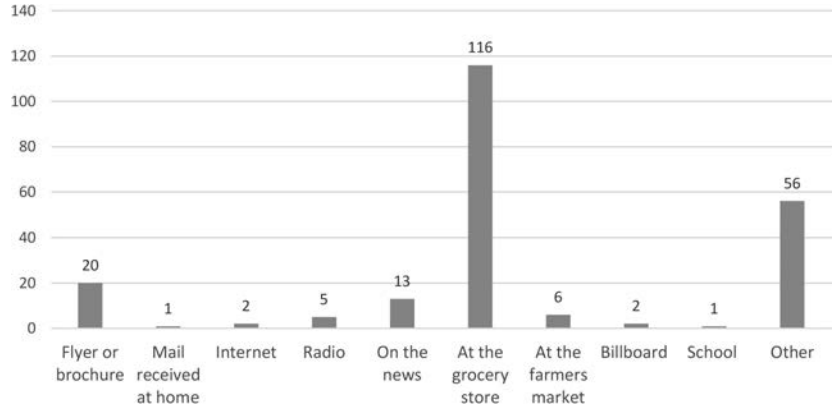
Additionally, participants were asked to share the year they were born, which was used to calculate their approximate age. As shown in *Figure 3,* respondents represented a variety of age ranges with the largest portions of individuals indicating that they were either in their 50s (n=199, 20%) or in their 60s (n=199, 20%).

Figure 3. Age of Non-SNAP Customers



When asked if they had heard of the DUFB program before shopping that day, a majority indicated that they had not heard of the program (n=821, 83%). As displayed in *Figure 4,* of those who had heard about it, the most common sources of information included the grocery store (n=116) and a flyer/brochure (n=20). Other sources of information listed include TV, word of mouth, and social media.

Figure 4. Sources of Information about DUFB



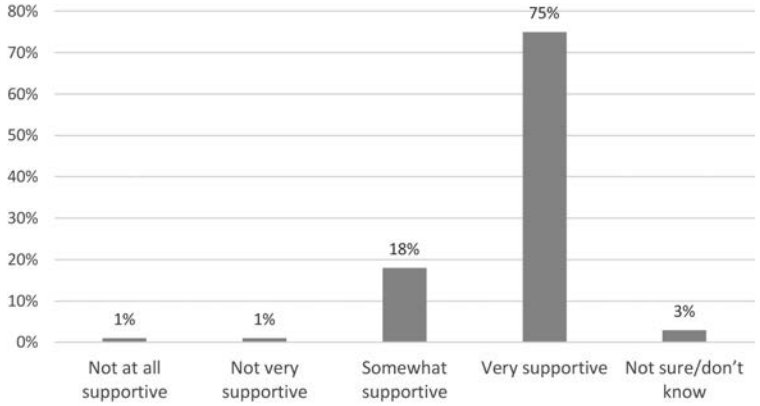
Those who had heard of DUFB before shopping that day were asked to share what they knew about the program. Many respondents commented that the DUFB program is meant to save people money on groceries (n=88) as well as that the program involves buying produce and/or local produce (n=54).

Individuals who had not heard of the program were asked if they had learned about DUFB while in the store that day, perhaps seeing within-store signage, talking with produce staff, cashiers sharing information about DUFB, *etc.* A majority responded that they had not received any information (n=774 out of 851, 91%) while the remaining 9% of respondents (n=77) reported that they heard of the program that day while shopping in the store.

When asked if they thought there were any benefits to the program, a majority (n=773 out of 874, 88%) responded affirmatively, stating there were benefits to DUFB participation. Of those who reported benefits, the most common perceived benefits of the DUFB program include that it helps people save money (n=389), encourages individuals to eat healthier or eat more fruits and vegetables (n=256), and that it supports local farmers or the local economy (n=105). Some respondents were unsure if there were benefits to the program (n=59, 7%) and 42 (5%) indicated that they did not think there were benefits to the program.

Finally, non-SNAP customers were asked about their level of support for a program that provides small amounts of extra money to low-income families to buy more locally grown fresh fruits and vegetables. About 75% of respondents indicated that they were very supportive of DUFB (see *Figure 5* for the distribution of responses to this particular question).

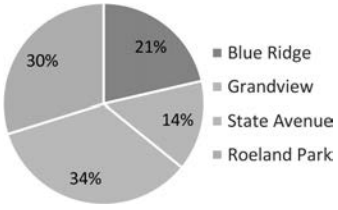
Figure 5. Level of Support from Non-SNAP Customers



SNAP Customers Not Using DUFB

Three hundred thirty two surveys (n=332) were completed by SNAP customers that had not participated in DUFB. Of the four store locations, 71 (21%) surveys were completed at Blue Ridge, 48 (14%) were completed at Grandview, 114 (34%) were completed at State Avenue, and 99 (30%) were completed at Roeland Park (see *Figure 6*). See *Appendix B* for the survey instrument utilized for SNAP customers that had not participated in DUFB.

Figure 6. Locations of Surveys Completed by SNAP Customers not using DUFB



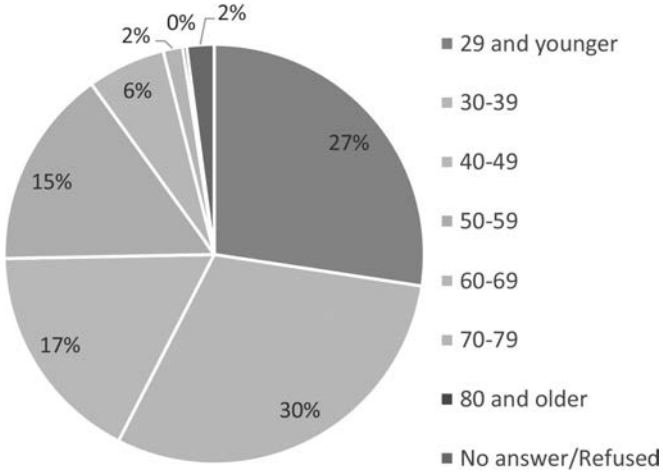
When asked to indicate the [ZIP C]ode in which they reside, respondents gave answers representing 49 different [ZIP C]odes. Similar to the non-SNAP respondents, a majority of participants indicated that they live in Wyandotte County (KS) or Jackson County (MO). See *Table 2* for the five most commonly reported [ZIP C]odes of SNAP respondents not using DUFB.

Table 2. Most Commonly Reported [ZIP] Codes of SNAP Customers Not Participating in DUFB

[ZIP] Code	Number of Respondents	City	County	State
66104	54 (16%)	Kansas City	Wyandotte	KS
66102	49 (15%)	Kansas City	Wyandotte	KS
64134	32 (10%)	Kansas City	Jackson	MO
64030	26 (8%)	Grandview	Jackson	MO
66101	22 (7%)	Kansas City	Wyandotte	KS

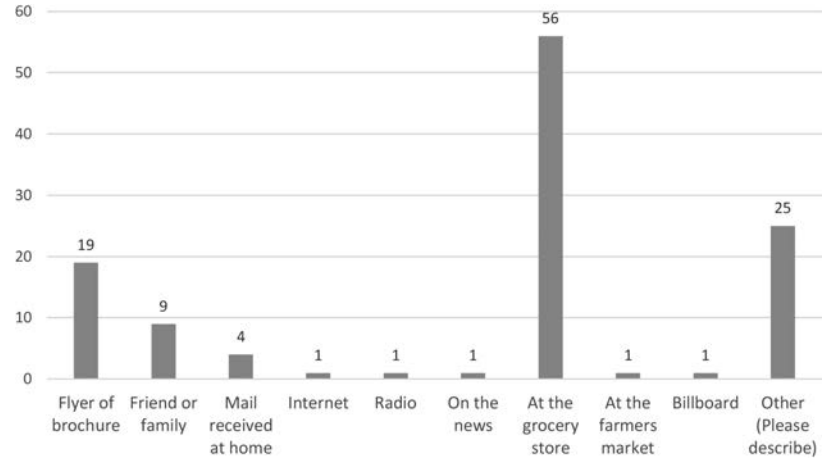
Additionally, participants were asked to share the year they were born, which was used to calculate their approximate age. Many respondents were either in their 30s (n=100, 30%) or in their 20s (n=89, 27%). *Figure 7* displays the distribution of ages of SNAP customers not using DUFB.

Figure 7. Age of SNAP Customers not using DUFB



When asked if they had heard of DUFB before shopping that day, a majority indicated that they had not heard of the program (n=235, 71%). Of those who had heard about it, the most common sources of information included the grocery store (n=56), a flyer/brochure (n=19), or a friend or family member (n=9). Other sources of information listed included cashiers and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). *Figure 8* summarizes sources of information about DUFB reported by survey respondents.

Figure 8. Sources of Information about DUFB

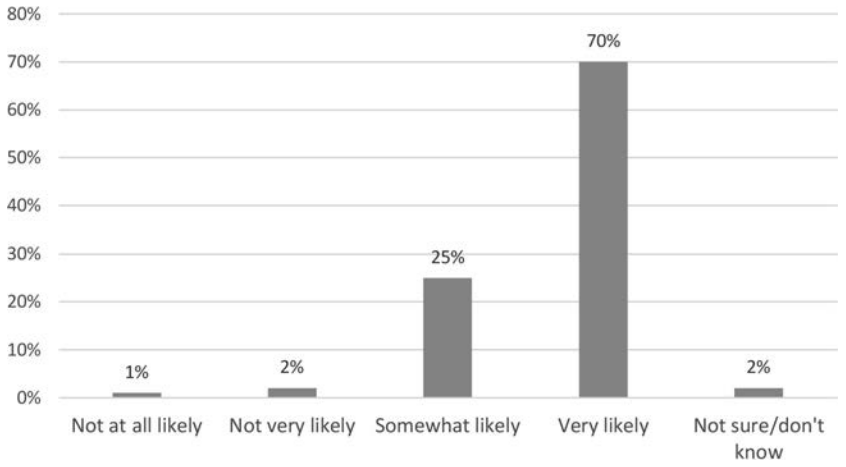


Those who had heard of DUFB before shopping that day were asked to share what they knew about the program. The most common responses include that the program helps people save money (n=25) as well as that the program involves buying produce (n=32).

When asked their reasoning for not using the DUFB program that day, the most commonly reported reasons were that they did not know about the program (n=64), that they weren't buying produce that day (n=21), or that they did not have money on their EBT card (n=21).

Finally, respondents were asked how likely they were to participate in the program the next time they were shopping at the store. A majority (n=232, 70%) indicated that they were very likely to participate in DUFB during their next store visit. Only 3% (n=10) reported that they were not very or not at all likely to participate. See *Figure 9* for the distribution of responses to this question.

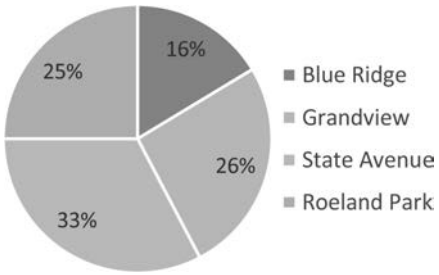
Figure 9. Likelihood of DUFB Participation During Next Grocery Store Visit



SNAP Customers Using DUFB

One hundred four surveys (n=104) were completed by SNAP customers who had participated in the Double Up Food Bucks program. Of the four store locations, 17 (16%) DUFB customer surveys were completed at Blue Ridge, 27 (26%) were completed at Grandview, 34 (33%) were completed at State Avenue, and 26 (25%) were completed at Roeland Park. *Figure 10* graphically displays the distribution of responses by store. The survey instrument used with SNAP users who had used DUFB can be found in *Appendix C.*

Figure 10. Locations of Surveys Completed by DUFB Participants



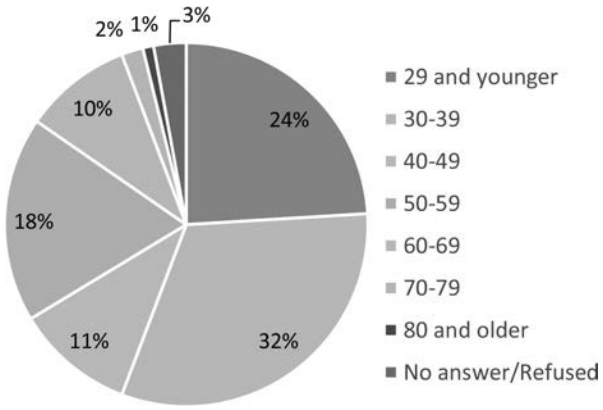
When asked the [ZIP C]ode in which they reside, participants reported 23 different [ZIP C]odes. A majority of respondents indicated that they lived in either Wyandotte County (KS) or Jackson County (MO). See *Table 3* for the five most commonly reported [ZIP C]odes of surveyed DUFB participants.

Table 3. Most Commonly Reported [ZIP] Codes of DUFB Participants

[ZIP] Code	Number of Respondents	City	County	State
66102	20 (19%)	Kansas City	Wyandotte	KS
66104	12 (12%)	Kansas City	Wyandotte	KS
64134	11 (11%)	Kansas City	Jackson	MO
64030	11 (11%)	Grandview	Jackson	MO
66101	8 (8%)	Kansas City	Wyandotte	KS

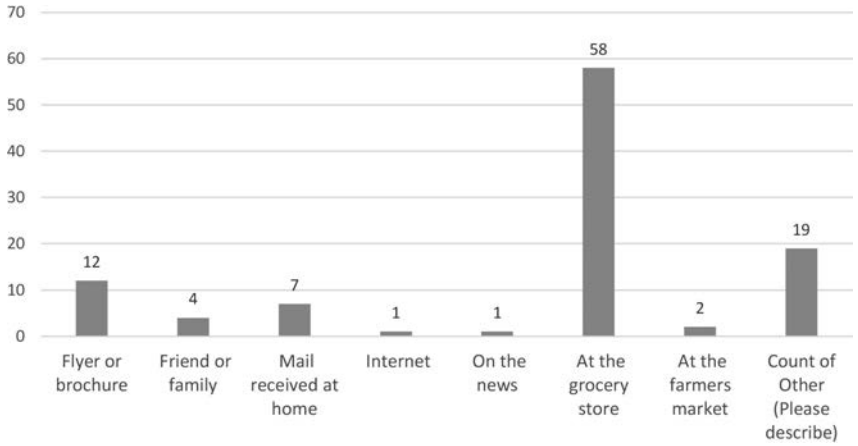
Survey respondents also were asked in what year they were born. Individuals were most commonly in their 30s (n=33, 32%) followed by their 20s (n=25, 24%). See *Figure 11* for a distribution of age ranges of survey respondents.

Figure 11. Age of DUFB Participants



When asked if the SNAP customer had heard of DUFB before that day, 20% of respondents (n=20) reported that they had not while 80 respondents (80%) reported that they had received some information about the program. Those who had heard of DUFB before that day indicated learning of the program from a variety of sources. The most commonly reported sources included the grocery store (n=58), followed by a flyer/brochure (n=12). Of those who had heard about DUFB from an unlisted source, the most commonly reported response was information gained from a cashier or a Price Chopper employee working in the produce section. See *Figure 12* for the distribution of responses to this question.

Figure 12. Sources of Information about DUFB

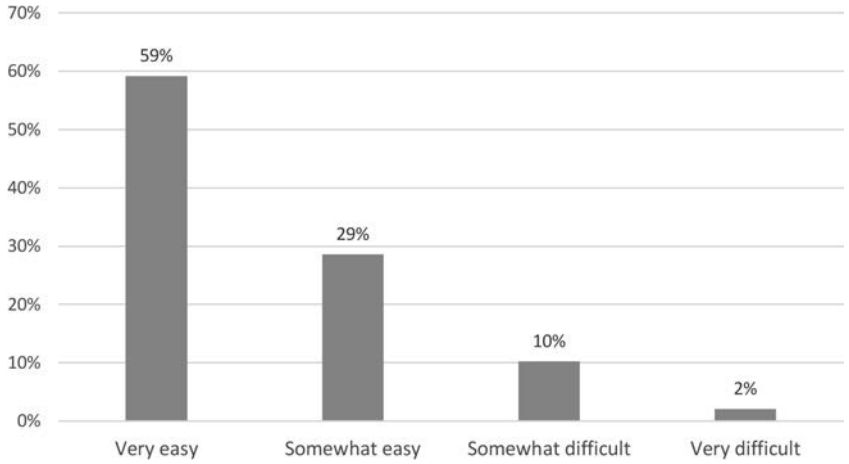


When asked if they had used the program to purchase fruits and vegetables that day, 48 (46%) responded that they had. Of those who had not (n=56, 54%), their reasons for not using the program that day include that they did not need produce (n=24), they did not have money on their EBT card (n=8), or they just did not understand the program (n=6).

For those SNAP customers who had used the program that day, the most commonly reported fruits they purchased that day include apples, peaches, and bananas. Additionally, the vegetables most commonly reported as purchased that day include tomatoes, onions, and cucumbers.

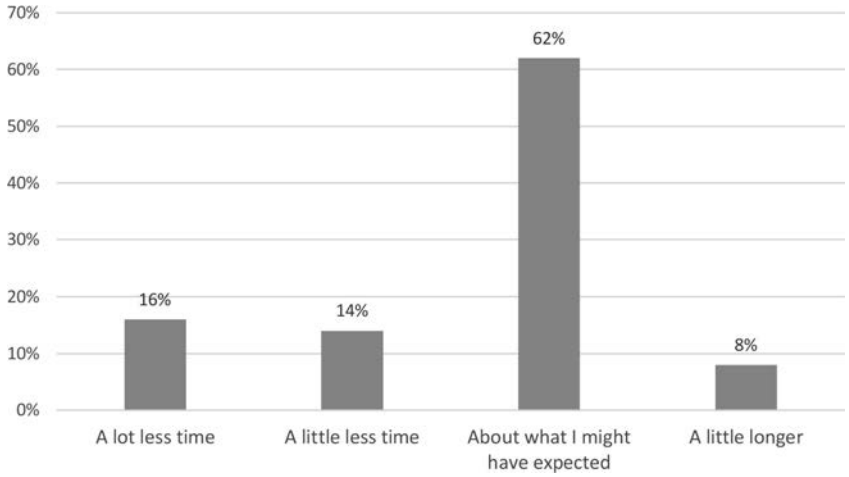
SNAP customers who had used the program that day were asked questions about the ease of use. A majority of respondents (n=43, 88%) indicated that it was very or somewhat easy to identify which fruits and vegetables were eligible for DUFB incentives. Only five respondents reported it was somewhat difficult while one respondent reported it was very difficult (*see Figure 13*).

Figure 13. Level of Difficulty to Identify Fruits and Vegetables



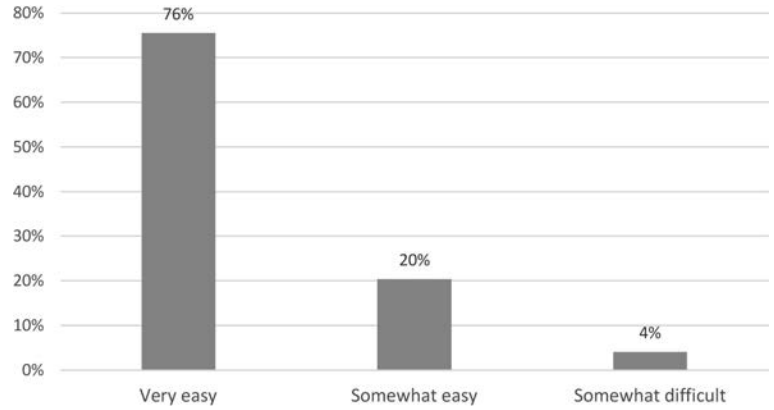
SNAP participants also were asked about the point of sale and how long it took to purchase the fruits and vegetables eligible for the DUFB incentives while at the register. As displayed in *Figure 14,* a majority of respondents reported that it took about the amount of time that they might have expected. Four individuals responded that it took *a little* longer than they expected but none of the respondents reported that it took *a lot* longer than they expected.

Figure 14.Time Spent to Purchase Fruits and Vegetables



Additionally, survey respondents were asked how easy it was to use the program overall that day. A majority of respondents indicated it was very or somewhat easy to use the program. Two participants responded that it was *somewhat* difficult to use the program but none responded that it was *very* difficult. See *Figure 15* below.

Figure 15. Overall Ease of Program Use



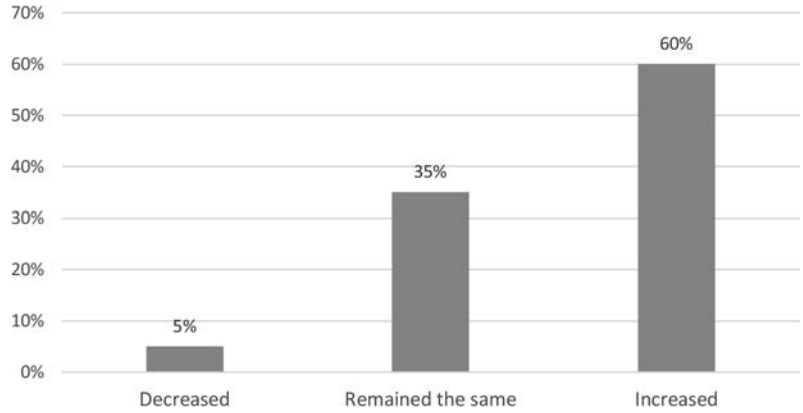
Most participants responded that the program was clear and there were no confusing aspects. Only a few individuals commented on the need for more or better produce signage to indicate what produce was eligible for the DUFB incentives.

Of those surveyed DUFB customers who had used the program that day, a large portion reported that it was their first time using the program (n=29, 63%). Of the respondents who indicated it was not their first time using the program, 22% reported that they had used Double SNAP at a farmers' market. Eighteen percent (18%) of individuals responded that it was their first time using DUFB in a grocery store while 82% indicated they had used DUFB during a previous visit.

Only 15 survey participants gave a response for how many times they had used DUFB within the past year. Of these individuals, most reported using the program two to three times in the past year.

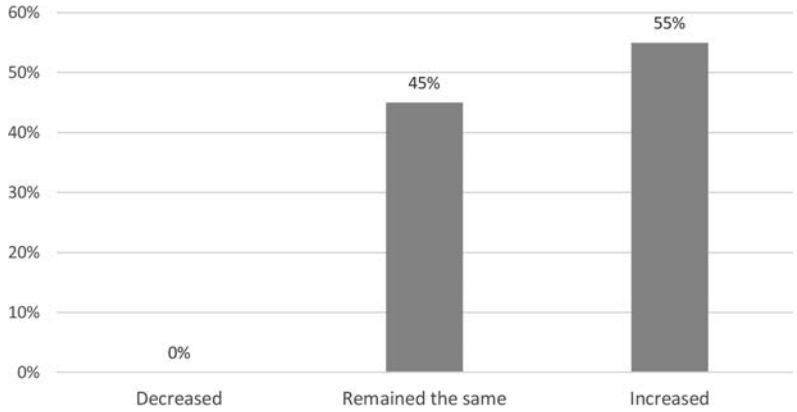
Of the 20 SNAP recipients who responded to being asked about how participation in DUFB might have affected their eating habits, 12 participants reported the amount of fresh fruits and vegetables that they ***buy*** has increased because of the DUFB program. As shown in *Figure 16,* surprisingly, one individual indicated a decrease in the amount of fruits and vegetables purchased.

Figure 16. Amount of Fresh Fruits and Vegetables Bought



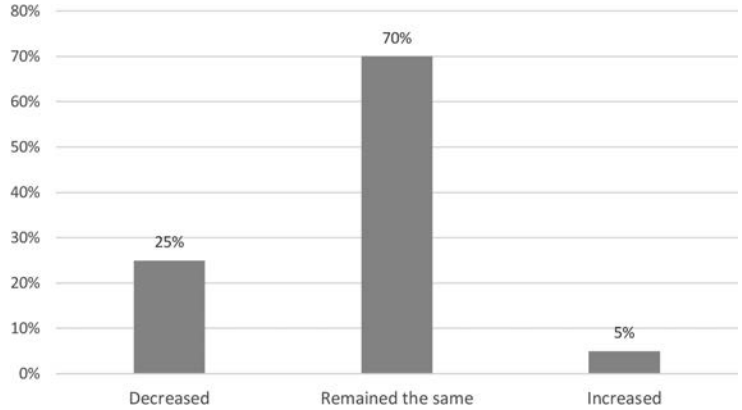
Additionally, participants were asked if the amount of fresh fruits and vegetables that they ***eat*** has changed due to the DUFB program. As shown in *Figure 17,* more than ½ of respondents (55%) reported that this amount had increased.

Figure 17. Amount of Fresh Fruits and Vegetables Consumed



Respondents also were asked about their consumption of potato chips, candy, and cookies and if participation in DUFB might have altered their eating habits of those items. As displayed in *Figure 18,* about 70% of respondents (n=14) indicated their consumption of these items had remained the same while 25% (n=5) reported that it had decreased.

Figure 18. Amount of Potato Chips, Candy, and Cookies Consumed



Importantly, about 50% (n=8) of survey respondents that were asked if they had found themselves budgeting differently since participating in the DUFB program indicated that they had.

For those who responded that they were budgeting differently, they were then were asked to describe how DUFB is affecting the way they budget. Most commented that it helps them save money and helps them afford fruits and vegetables more easily. For example, one respondent replied, "I have extra money to spend on fruits and vegetables" and another commented that due to being able to budget for groceries differently, "My kids eat more fruits and veggies."

Finally, survey respondents were asked if they had any recommendations for improving the DUFB program. Many respondents indicated that they did not have any recommendations or they thought the program is great as it is. A few individuals suggested developing more awareness and better communication about the program, particularly from the store cashiers. Others suggested having more local produce options. One respondent commented about the need for the DUFB program to be in every Price Chopper store throughout the metropolitan area.

Grocery Store Assessments

In addition to conducting customer surveys, KUMC research assistants completed grocery store evaluation checklists during their visits to each of the Price Chopper

locations. This checklist served as an environmental scan of the store's produce section (see *Appendix D*). The assistants evaluated the quantity and quality of available produce and confirmed the presence or absence of locally grown produce signage. During the visits, research assistants were asked to evaluate factors such as the clarity of DUFB signage, whether there was an adequate amount of DUFB signage present, the amount and quality of available local produce, the presence or absence of local produce cooking demonstrations, and to note the availability of Spanish signage. One hundred and seven (n=107) grocery store assessments were completed during the pilot.

Seventy-eight of the assessments (89% out of 88) indicated that the clarity of the signage for DUFB produce was unambiguous; it was obvious the produce was locally grown. Further, clarity of the signage seemed to improve over time. For instance, at the beginning of program implementation some signs displayed produce as "homegrown" which may have caused some confusion for customers as to whether that produce was considered locally grown and qualified for the program. Notes from the grocery store assessments indicated that on occasion there were "local" signs posted but it was unclear to what specific produce the sign applied. Additionally, some posted signs designated produce as local but lacked any DUFB program logo, which may have made it unclear to SNAP customers if the produce qualified for the program.

Some stores had sections in the produce department devoted entirely to locally grown fruits and vegetables, which made it easy to identify those products that qualified for the DUFB program. Large banners were also displayed to advertise the DUFB program. These banners were eye-catching and clearly defined the program's target audience as SNAP recipients. Further, at times, local produce signage would also include where the particular product was grown (*e.g.,* Grown by Twin Co. Family Farms in Rich Hill, Missouri). Overall, modifications to the program signage improved over time, with greater visibility and clarity as to what produce qualified for the program.

In addition to within-store signage, Mid-America Regional Council used several other methods to advertise and promote the program. These methods include print advertising, social media posts, and billboards (a total of seven) in various locations.

Grocery store assessments also examined whether the *amount* of program signage was adequate. A majority of the assessments (n=71 out of 86, 83%) indicated an appropriate amount of signage. Research assistants noted an abundance of flyers about the DUFB program available to SNAP customers. They also observed that the flyers were easily accessible to the customers. Stores placed DUFB information tables near the produce section, which contained flyers that customers could take with them. Occasionally, store employees were stationed at the tables so that they could explain how the program worked to incoming customers.

The evaluation checklist also included questions about the locally grown produce that was available. Signs and flyers were available at the store that listed produce as "LOCAL THIS WEEK". Research assistants compared the actual amount of locally grown fruits and vegetables available in the produce department to this listing. The listing of local fruits and vegetables varied from visit to visit as the season progressed. Approximately 72% (n=57 out of 79) of grocery store evaluations indicated the *amount* of local produce was stocked adequately. However, on several occasions only a limited number of the listed items could be found. For instance, blackberries were often included on the local produce listing but were unable to be located by the research assistants.

Research assistants rated the quality of the local produce as "good" consistently. Approximately 92% of assessments (n=76 out of 83) indicated that the quality of the local produce on the day of assessment was fresh and in good visible condition.

Research assistants were also asked to take note of other factors, such as the presence of cooking demonstrations and the availability of Spanish language signage. Although cooking demonstrations did not take place during a majority of the occasions that research assistants were present at the stores (91%, n=93 out of 102), there were often local produce samples available to customers for taste-tests (such as tomatoes or cantaloupes). Finally, on only approximately ⅓ (n=36 out of 102, 35%) of assessments, research assistants indicated Spanish language signage was

available at the store. However, program flyers and local produce listings included information in both English and Spanish.

Price Chopper Employee Interviews

Interviews with Price Chopper employees were conducted to gain feedback about facilitators and challenges to the process of implementing the DUFB program. Standardized guides were used to complete interviews with employees of the four participating Price Chopper stores. Interviews were digitally recorded, transcribed verbatim, and analyzed to discover themes across the responses to each open-ended question.

Interviewed employees included cashiers and store directors, as well as other employees in roles such as service manager and produce manager.

Cashiers

Fifty-two cashiers (n=52) were interviewed about their experiences with the DUFB program. Of the four participating locations, 18 interviews were conducted at Roeland Park, ten at Blue Ridge, 19 at Grandview, and five at the State Avenue location. The interview instrument utilized with cashiers can be found in *Appendix E.*

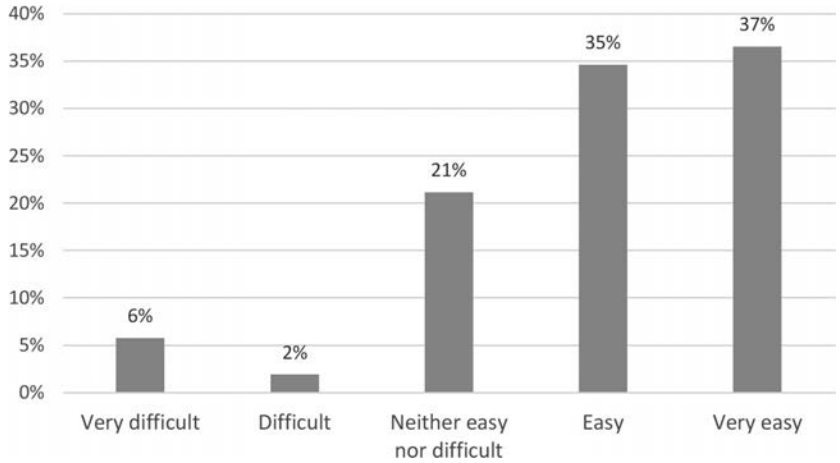
Length of Time Employed as a Cashier

The amount of time the cashiers had been working for Price Chopper was averaged in years. Overall, the mean number of years working at a particular store was approximately 4.3 years across all four stores. Cashiers interviewed at Roeland Park reported working for an average of 3.1 years, Blue Ridge 6.4 years, Grandview 4.2 years, and KCK 3.8 years.

Ease of DUFB Implementation

When asked to rate how easy the DUFB program was to implement, using a Likert scale from 1 (very difficult) to 5 (very easy), the majority of cashiers (n=37, 72%) reported it was either easy or very easy to implement. As displayed in *Figure 19,* 11 cashiers (21%) indicated it was neither easy nor difficult to implement while four cashiers stated DUFB was difficult or very difficult to implement.

Figure 19. Ease of Program Implementation According to Cashiers



Cashiers who indicated it was difficult or very difficult to implement DUFB also reported they received no formal training. One cashier stated, "*I learned by word of mouth. I did not have training.*" Another cashier who rated the ease of DUFB implementation as difficult still did not understand the program fully when she stated, ". . . *the cash back thing was confusing.*" While another cashier struggled initially with implementation stating, "*I really didn't understand it [DUFB] was only for food stamps, but now I get it. Just getting used to it.*"

Factors Affecting Ease of Implementation

Cashiers were asked to share what was easy or difficult about implementing the DUFB program. Most cashiers reported the implementation of the DUFB program was straightforward. They described several aspects of the process, which made

DUFB easy to carry out. First, the cashiers emphasized the importance of having specific codes to enter into the register to identify the local foods eligible to earn incentives. One cashier's statement captured the sentiments of others when she stated, ". . . *just having the code we have to type for it [DUFB] makes it really easy.*"

Second, many cashiers stated that a listing of locally grown items that are eligible for DUFB made the transaction process easier, too. This listing helped cashiers know that the items needed to be keyed in as locally grown and food bucks would be earned. In contrast, a few cashiers at one store stated they had difficulty identifying what produce was locally grown and generated DUFB incentives. As one cashier shared, "*I think the most difficult part for a cashier is just the knowledge of what was local and what wasn't.*"

Many cashiers indicated the use of technology facilitated the earning and redemption process. For example, the auto-generated computer screen popup allowed the cashiers to press "acknowledge" on their registers and the customer was able to redeem food bucks easily. As a cashier stated, "*the easy part is it's just a code to put in.*" Another cashier explained the ease of implementation when she stated, "*I mean it's just simple because all it is, once you buy the local, then you match with any kind as long as you have the EBT card. It's just plain and simple. The computer tells you the rest.*"

Others stated the process was made easier by hands-on training. One cashier summarized the points of view of other cashiers about the ease of implementation when supplemental training was given. She stated, ". . . *it was easy 'cause [sic] they explained the program to us . . . kind of went over with us. They gave us the information and what codes we use and like told us how to actually do it on the registers.*"

Several other cashiers mentioned that there were difficulties with implementation of DUFB. They stated most problems occurred at the beginning of adopting the program into the stores. Many cashiers found the amount of information shared during the training session to be overwhelming. They felt "*trying to understand everything at the beginning*" with only one training session made implementing the program difficult. However, over time, the cashiers indicated the program was easier to implement.

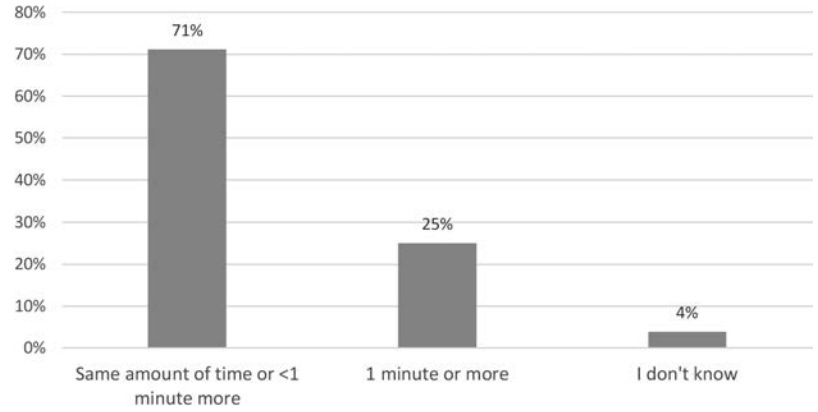
Many cashiers shared that the most difficult part of the program was getting the SNAP customer to understand the process. Several cashiers reacted in the same manner, stating ". . . *but the difficult part was like sometimes explaining what it [DUFB] was . . . it's when you try to explain it to customers. The customers don't get it. So I have to keep trying to explain it.*" Similarly, another cashier stated, ". . . *trying to explain that the first time they have to buy local and second time they can buy anything they want to. Learning how to explain it to customers.*" Other cashiers shared examples of how they struggled to explain the DUFB process to SNAP customers. They stressed the need for additional help for the customer to understand how the program works. As one cashier lamented, "*even though we have posters up and brochures, we have people out there. they still didn't know what we were talking about.*"

Extra Time To Process a DUFB Transaction

Cashiers were asked how much extra time a DUFB transaction demanded compared to a regular, non-DUFB transaction. As displayed in *Figure 20,* over 70% of respondents (n=37) reported that a DUFB transaction required either the same amount of time or less than 1 minute extra compared to a usual transaction. One-fourth of cashiers (25%, n=13) thought it took over 1 minute more to complete a DUFB transaction compared to a regular transaction.

Two of the cashiers were not sure if a DUFB transaction took less or more time compared to a typical transaction.

Figure 20. Length of Time to Complete DUFB Transaction



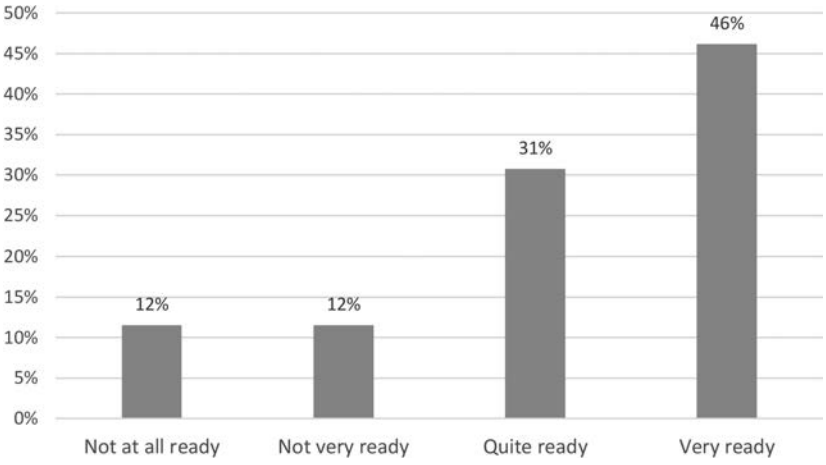
Number of DUFB Transactions Processed

Cashiers were asked to estimate how many DUFB transactions they have processed since the pilot program began in their particular store. Responses varied considerably from less than five transactions to more than 15 per day four times per week. The average number of transactions across the four stores was 118. At the Grandview store, which had the most SNAP transactions of the pilot stores, cashiers reported an average of 285 transactions that were processed since the DUFB program initially began in their store.

Readiness To Implement DUFB After Training

Cashiers were asked to think about the training they received to work on DUFB and then rate how ready they were to work on the program, using a scale from 1 (not being ready at all) to 4 (being very ready). As displayed in *Figure 21,* the majority of cashiers (n=40, 77%) reported they felt very or quite ready after the training.

Figure 21. Cashier Readiness after Training



Factors Affecting Readiness To Implement DUFB

When cashiers were asked why they thought they were ready or not ready to implement the DUFB program after training, most cashiers indicated the extent of training was sufficient to execute the program effectively. Many comments about the readiness to implement the program were similar. For example, comments shared included,

"*. . . the training covered everything you needed to know going into it.*"

". . . it [the training] couldn't be more direct than that."
". . . it's such an easy program to run."
". . . it's an easy process."
"It's just kind of self-explanatory."
"The training was sufficient."
"Well, I felt I was ready because they explained it."

Others felt the training was sufficient but expressed the need to *"get the hang of it."* They shared that DUFB was similar to any other new program to be implemented, *"it's just a matter of getting used to it."* Cashiers who indicated they were not at all ready or not ready to implement DUFB did not receive formal training. They reported the only training they received was *"by word of mouth."* As one cashier described, *"it was just kind of word of mouth kind of thing. There were several weeks that went by before I knew that I was supposed to hit acknowledge."* Another stated, *"I learned from asking other cashiers what to do next,"* while another cashier admitted, *"I'm gonna be completely honest. I didn't even get the training. I missed that day. I came into work the day afterward and just kind of picked up on it."* Additionally, two individuals who stated they were not ready to implement DUFB also continued not to be clear about eligibility, asking the interviewer, *"is it only for food stamp customers?"* and sharing the comment, *"I owed the customer cash back."*

DUFB Appreciation

When interviewers asked the cashiers to state what they like or appreciate about the DUFB program, the overwhelming response was that it helps SNAP customers eat healthier. Many similar comments, such as *"it* [DUFB] *goes toward helping families so that they eat healthy . . ."* and, *". . . it gives them an opportunity to buy more healthier stuff . . . easier for them to buy because it gets expensive for fruits and vegetables."* Others stressed how they appreciated helping children of low income families eat healthier through the DUFB program, noting, *"a lot of fruits and vegetables are very, very important in a child's meal"* and, *". . . they're trying to promote healthy eating. We see a lot of customers that buy just junk food, preprocessed food, not the healthiest choice for their kids. And now you're seeing a little bit more fruits and veggies."* Another cashier responded, *"I feel they eat a little more healthier. And for the kids, too. So, I think it's a great program."*

Additionally, many cashiers expressed how much they appreciated how DUFB helps SNAP customers save money. Many stated how the program helps families, *"get more money back to use for any produce, not just local."* Others stressed how they really like the program because *"they* [the SNAP customers] *can stretch that dollar with DUFB."* One particular cashier communicated their appreciation because *". . . it helps most of our elderly customers that we have because sometimes they don't get as much on their EBT . . . And I like the fact that I can go and help them out."*

Other cashiers appreciated how the DUFB program supports local farmers. As one cashier summarized these feelings, *". . . it's good for local farmers."* Not only did they value how DUFB benefits local farmers but they also appreciated how the program supports the economy and increases Price Choppers' business. The cashiers described how the entire process benefited more than just the SNAP customer. As one cashier captured the opinions of others, *". . . people come in and they bring in a lot of money and they come back in. It increases our profits. And helps guarantee my job."*

Suggestions To Improve the Double Up Food Bucks Program

Cashiers were asked for suggestions to improve the DUFB program. Most recommendations fell into three categories: (1) to increase customer awareness and knowledge of the program, (2) to expand the program to include all fruits and vegetables, and (3) to expand the eligibility of the program to include non-SNAP customers.

Many cashiers suggested additional training to help the customer understand how the program works. They recommended the need to seek different ways to explain the program to SNAP customers because the current strategies were not working well and customers continue to be confused and had misperceptions about the DUFB program. The cashiers indicated that many of their customers still did not understand how to take part in the program. They gave several examples of confusion by SNAP customers, sharing *". . . they think they have to do like separate transactions for Double Up Bucks and then for their regular food."* and *"they don't really know what they are entitled to . . ."* Moreover, other cashiers mentioned it would be helpful to teach customers how to use the produce. They stressed the importance of providing examples of different ways to prepare the locally grown produce. Similarly, one cashier encouraged food demonstrations to improve the

DUFB program, "*. . . if we had in-house demos . . . people don't know how to use the squash. If we had more demos to get that produce out in front.*"

Several cashiers recommended expansion of the program to include a larger variety of local items. They felt more individuals would participate in the program if there were more options. Further, other cashiers wanted the DUFB program to allow all fruits and vegetables, not just locally grown ones. As a cashier stated, "*I don't think it should have to be locally grown produce at first. . . . I think it should be all the produce because people buy a lot of different varieties. If they are more into the exotic type of foods, they won't get the local points.*" Another stated, "*if they had more options* [larger variety of fruits and vegetables]*, they would be more likely to use the program."*

Many cashiers recommended the program expand to include those who are not eligible for SNAP benefits. Several cashiers thought it was "*unfair*" to those who were struggling financially but not SNAP-eligible. Fairness to others was a common theme among cashiers with one stating this shared opinion, "*I think it would be a good idea to be fair to let everybody have access to that [DUFB]. I don't have EBT. It would sure help me out a lot. I've even had a couple of customers ask me why they can't have it. Because they ask about it and they don't think it's fair.*" Similarly, another cashier recommended, "*. . . some type of way to help give those customers something, so it's not just like you have to be on EBT to get it.*" Another cashier stated, "*Honestly, I would like it [DUFB] to be given to everyone*" while yet another remarked, "*I think it should be for everybody, not just people that are on food stamps.*"

Store Directors

Three store director interviews were completed. One store director represented two of the participating Double Up Food Bucks locations (*i.e.,* Roeland Park and State Avenue). The results of the interviews with the store directors are presented below for each question asked. The interview instrument utilized with store directors can be found in *Appendix F.*

Most Useful Aspect of DUFB Startup

When asked to think back to when DUFB was first implemented at their store and to identify what was most useful to them for starting the program, store directors emphasized the importance of having one-on-one conversations with employees and customers. One director commented that the directors of the four stores who were rolling out the DUFB program met as a group and walked through the program at the Roeland Park grocery store, which was the site that launched the program ahead of the other locations. One store director commented that it was helpful to see how the Roeland Park store was implementing the program and by doing so, it made the implementation of the program at his store much simpler.

Additional Supports Needed

When asked what would make the program easier to implement, two store directors indicated they did not require additional help to execute the DUFB program fully. Although the directors did not report needing additional help, in-store activities were organized by the directors to support the DUFB program. For example, the service manager called a storewide meeting to discuss the program and answer employee questions to supplement the DUFB training session.

Additionally, another store director met with each employee individually to ensure employees understood the program completely. At a different store location, other activities were noted as influential in supporting DUFB. The store manager indicated they placed a large sign in the produce section about DUFB and positioned an individual near the front of the store to explain the program to incoming customers to support the DUFB program. One store director commented that in the beginning of the pilot, it took time to get the word out about DUFB and make certain store staff understood how the program works. One store director did comment that the redemption procedure for DUFB incentives was "*a little bit confusing at first*" and would welcome activities to bolster the understanding of how this process works.

Adequacy of Training for Cashiers and Produce Department Staff

Collectively, the store directors reported the training for cashiers and produce department staff was adequate. One director commented, however, that the DUFB training was a "*little repetitious at first.*" According to another store director, the training for the produce department staff was adequate as it was "*pretty easy and self-explanatory.*" That same director reported the program might have been a little more challenging at first for cashiers because they did not handle many local and/or organic produce typically but as time passed, the cashiers became acclimated to the process.

Additional Training for Staff

When the store directors were asked if they provided additional DUFB training, one store director reported no additional training was conducted while the other two store directors provided supplementary training to their staff. Because one store had new employees coming on board frequently during the pilot, the director indicated training was an ongoing process to make certain employees were informed about DUFB. The other store director provided additional one-on-one training with their grocery store staff to enhance the employees' understanding of the DUFB process. This store director commented that the implementation process "*would have gone better with a little more additional training.*"

Recommendations for Training Enhancement

Although one store director indicated the DUFB program was "*a pretty easy program to implement and understand*" and did not have suggestions, other store directors had recommendations to enhance the training of employees. One recommendation for enhancement of the DUFB training was to develop a training video that explains in detail important aspects of the program. A store director commented that it is critical for the grocery store team to understand how and why they are implementing the program and providing visual aids might be very helpful in supporting this effort. Another store director responded that reviewing with employees what local produce is stocked within the store might be very beneficial. In this manner, the employees can identify local produce easily and in turn, could facilitate the transaction process for cashiers.

Ease of Processing DUFB By Cashiers At Point of Sale

When asked to think about the point of sale—when customers get or use their DUFB cards/points with cashiers—and the level of difficulty for cashiers to process

DUFB, two store directors reported that it was challenging at first, particularly the first week or 2 of implementation. However, they reported it became easier as the cashiers adjusted to the process. One director commented that the redemption process was the cashiers' most challenging part of the program. A major obstacle that affected the process at this store was due to a computer issue. For example, if the customer had previously earned DUFB points and returned later to buy produce, then the cashier would be prompted on the screen to acknowledge if earned points were to be used for the current produce purchases. Then, if the cashier pressed the acknowledge key and the customer had earned more points than they were redeeming that day, then the transaction statement would indicate the customer was owed money back. To exacerbate the computer issue further, this store serves a large Women, Infants, and Children (WIC) population, which also affected the DUFB purchasing process. Many of these customers purchased local produce with their WIC vouchers, which led to confusion by the cashiers. Due to the computer issue, the cashiers' tills would not reconcile with the appropriate balance. The cashiers were then placed in an uncomfortable position because they wanted their tills not to have variances.

Feedback from Cashiers About Processing DUFB

All store directors interviewed indicated cashiers at their store have responded positively to the program. They reported not hearing any negativity towards the DUFB program. The store directors reported the DUFB program is met with very positive feeling from the cashiers. For example, one store director commented the cashiers are positive about the program because they can see how it benefits the SNAP customer and increases the business of their grocery store. As a result, the cashiers feel the program helps to promote their job security.

Lessons Learned Or Recommendations for Improving Process

When asked about any lessons learned or recommendations for making the DUFB process better, one store director responded it is beneficial for the cashiers to ask the customer the extent of their knowledge about the DUFB program or at least mention the program at the beginning of the transaction when they first notice the customer is using an EBT card. Another store director commented about the importance of "*just learning the experience of going through it with the customer.*" Store directors mentioned that the lessons learned are to understand the importance of "*on-the-job experience*" and "*cashiers processing many transactions until it becomes routine,*" which are necessary components to the process.

Produce Signage for DUFB-Eligible Items

Store directors were asked to think about the signage in their stores for DUFB-eligible produce and to indicate how well the produce signs work for DUFB. In response, each of the store directors indicated they thought the produce signs worked well for the program. One described the signage at their store as an "*evolution.*" He explained how they upgraded the signs across the pilot program period to improve how the program was described. Although he mentioned the signs included a lot of information, providing cues that the SNAP customer will recognize immediately is helpful in promoting DUFB-eligible produce.

Feedback from Produce Managers About DUFB Signage

When asked if store directors had heard any feedback from produce managers about how well the DUFB signs worked, the store directors reported receiving very few comments from the produce managers about signage. They indicated, however, that all of the produce managers were supportive of the DUFB program. One store director stated that the produce manager would only provide feedback if there were complaints or if the produce manager felt the signage was not working well. Because he had not received any complaints or remarks about signage from the produce manager, he believed all was working well. Another store director mentioned that the signage was fine. However, he mentioned the availability of some of the local items that were advertised was inconsistent and their store had to adjust accordingly.

Lessons Learned Or Recommendations for Produce Signage

Store directors were asked about lessons learned or recommendations to improve produce signage. All store directors stated the signs worked well. One store director commented that "*bigger is better when it comes to the signs*" because the store needs to grab the SNAP customers' attention. He commented, for example, that at the beginning of the pilot period, the signs might not have been as effective because they were too small and blended in with the surroundings.

Additional Marketing Strategies To Promote DUFB

Interviewers shared with the store directors that Fair Food Network and Mid-America Regional Council used many different strategies to communicate and market DUFB to customers and then asked if any additional marketing strategies were used to promote DUFB to their customers. The store directors mentioned different strategies to promote the program. One strategy was to talk directly with customers, usually at the point of sale, and let them know the benefits of the program.

> *"One thing we did . . . was to tell the customer at the checkout point of sale that this was a great way to spread out their ability to have fresh fruits and vegetables on their table every week instead of just a one-time purchase per month. And that they could actually save, you can accumulate and save the benefit for later."*

Another strategy included placing tables near their produce section that contained information about the DUFB program to help inform SNAP customers.

Effective Strategies

When asked what strategies to promote the DUFB program were most effective, the store directors reported the one-on-one interaction with the customers, particularly having cashiers explain the program, was by far the most effective strategy. One challenge, however, was to make certain all cashiers were explaining the program properly at the point of sale.

Experience With Volunteers and Demonstrations

When asked to describe their experience with volunteers and store demonstrations, only one store director reported the presence of cooking/food demonstrations. He described the demonstrations as excellent and reported the way in which individuals who led the demonstrations explained the DUFB program to customers was excellent, too. He was impressed by how much detail was shared with customers about the DUFB program during the demonstrations. The two other store directors commented that they did not have cooking demonstrations but did have other type of demonstrations, such as samples of local produce. The store directors stated that the individuals who led the demonstrations were polite and pleasant. Additionally, one store director commented the presence of the University of Kansas Medical Center students, who were surveying at the store and were able to explain the program in-depth to the customers they talked to, was an effective strategy to increase the understanding of the DUFB program.

Lessons Learned Or Recommendations for Marketing the Program

The interviewers asked the store directors if they had any lessons learned or recommendations for marketing the DUFB program to customers. One store director commented that discussing the program one-on-one with the customers and spreading information about the program by word of mouth is the best marketing strategy. Another store director described the lessons learned about how to market the program in this manner:

> *"I would have to say that the important thing to do, is that you have to be aggressive at the front end of it. You can't slide into it gradually and I'm talking about from a knowledge standpoint. Everybody has to be on the same page when*

you're starting it. You can't ramp up speed as you go because what that means is that you've got people out there that can't explain the program. And what we saw or experienced was that the program started off slowly but that it gained strength steadily through the year and you want that to happen. But it can't happen if you don't have people that are willing to explain it and know what they're talking about."

Feedback from Customers About DUFB

Interviewers asked store directors to share what they have heard from SNAP customers about DUFB. The store directors shared that the feedback from customers about the program has been positive. As reported by one store director, the customers enjoy the ability to put healthier foods on the table. Additionally, the customers appreciate the flexibility of being able to redeem their rewards across time and the freedom to choose when to use their incentive dollars. However, this same store director also commented that numerous SNAP customers are not knowledgeable about how to prepare many of the local fruits and vegetables. He suggested it would be beneficial to include more education on the preparation of these items. Another store director shared what customers have communicated about DUFB:

"*The customers like it. Many of them now understand the program so they look forward to using their food bucks and actually plan their buying around the fact that they're earning money. It's part of their budget now.*"

Change in Purchasing Behaviors By Customers

When asked if the store directors have heard from any customers that DUFB changed their purchasing behaviors, two store directors responded affirmatively. One director stated customers are more willing to try new fruits and vegetables, which they had not consumed previously. Another director reported hearing how customers are budgeting differently so that they can purchase additional fruits and vegetables with their earned incentives.

Changes in Your Customer Base

The interviewers asked the store directors if their stores have experienced any changes in customer base because of DUFB. In response to this question, one store director commented that it was too difficult to know because the store was being remodeled during the same months DUFB was being piloted. Another store director reported he has noticed more customers ask for organic or local produce. Finally, another store director commented:

"*It would be hard to know* [about changes to customer base] . . . *But what it does for us, because we're the only store or company that's doing this in Kansas City, at least at the current time, it makes that customer a dedicated customer. In other words, they're going to come back because of that so that strengthens our customer base. And over time, that should continue to happen.*"

Locally Grown Produce Purchased By Stores

Interviewers asked store directors if they believed their stores purchased more locally grown produce because of the presence of the DUFB program. All store directors indicated they saw an increase in purchases of locally grown produce by their store. One director commented that DUFB "pushed" sales of local produce. Another store director reported that he was not definite about overall sale increases but was positive about the store purchasing additional quantities of specific locally grown items.

Greater Focus on Locally Grown Produce

When asked if they felt their produce department had a greater focus on locally grown produce because of the DUFB program, the store directors all responded affirmatively. Additionally, the store directors mentioned that displays with information about DUFB and tables featuring locally grown produce contributed to the focus on local fruits and vegetables. One store director stated that they had promoted locally grown produce in the past but the DUFB program was more effective.

Unexpected Benefits

The interviewers asked store directors if there were any unexpected benefits from having DUFB at their stores. Two directors did not believe any unexpected benefits emerged from their participation in the DUFB program. However, another store director commented that the presence of the DUFB program provided an opportunity to have a dialogue between the customer and cashier or produce team member. This opportunity for dialogue was beneficial because it meant the customers were placing trust in the Price Chopper employees to explain about locally grown items. It also provided an opportunity for the employees to help customers with selecting quality produce and deciding upon what and how much to purchase. Overall, he thought having that interaction was an unexpected positive benefit, deriving from the DUFB program.

Challenges To Implementing DUFB

Store directors reported implementation challenges that were out of their control, such as computer issues. For example, one store director reported that the Double Up points were not visible on the customers' receipt. Customers wanted to be able to view the amount earned on the locally grown produce purchases. The main challenge to another store director was the struggle to increase the SNAP customer's understanding of the DUFB program. He commented that many SNAP customers still do not understand the process and the benefits of the program.

Advice to Other Grocery Stores

When interviewers inquired about what advice they would give to other grocery stores planning to implement a similar program, store directors stressed the importance of education and communication about the DUFB program. They emphasized communication should occur in parallel with the customers and the grocery store team. For example, one store director emphasized how important it was to avoid the situation where the customer becomes excited about being able to use the DUFB program only to have store employees unable to answer questions about the program correctly. He also called attention to making certain the SNAP customer understands the program fully, including how participation involves long-term benefits.

Improvements Or Recommendations

Interviewers asked the store directors to share ideas about improvements or recommendations for the DUFB program. Store directors did not share any major recommendations to improve the program. One director commented that word of mouth was very important for building the DUFB program. He stressed the importance of finding ways to enhance this mode of communication. Another store director recommended that the Price Chopper stores acquire a greater variety of locally grown produce, which will help promote the DUFB program.

Satisfaction With the Store's Participation

Overall, the store directors expressed satisfaction with their store's participation in the program. As commented by one store director:

"Very satisfied because I think it's a plus for the company. It's a plus for the customers to eat healthier. I just really don't see any negatives with the program at all."

Another director indicated his store has had a positive experience with the DUFB program. Further, he welcomed the opportunity to see the program continue and expand into other Price Chopper stores.

Implement DUFB Again

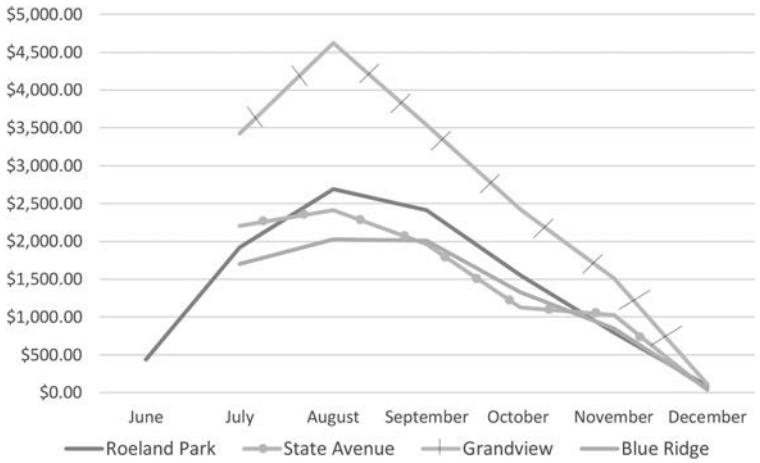
When the store directors were asked if they had it to do over again, would they implement DUFB at their grocery store, all store directors responded affirmatively. The directors stated they would definitely agree to implement the program again at their store.

Transaction Data

Transaction data from the four Price Chopper locations participating in the Double Up Food Bucks pilot program was used to analyze the amount of money SNAP users had earned with DUFB as well as the amount that had been redeemed. Additionally, the data was used to examine which local products were most commonly being bought with the program and on which products DUFB users were spending their earned rewards. The Roeland Park store launched DUFB on June 11th while the remaining three stores launched DUFB on July 1st. Transaction data provided by Price Chopper was used to look at DUFB program usage from June through December 2015.

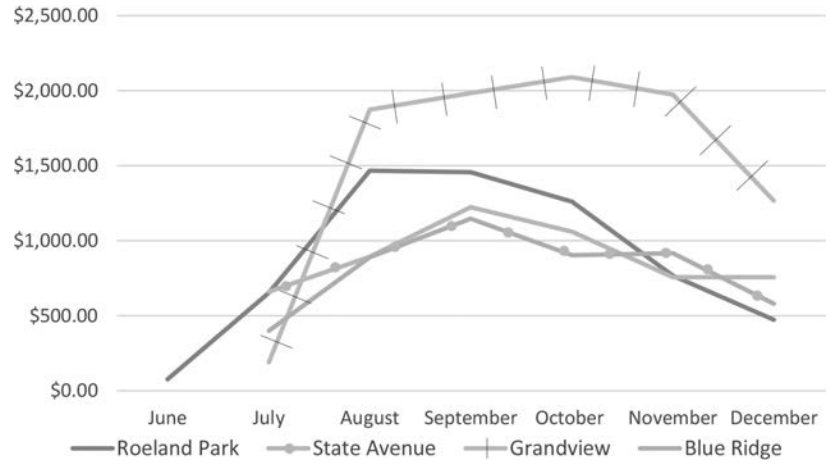
From the launch of the program through the end of 2015, Price Chopper customers earned approximately $42,300 across the four stores using the DUFB program. As displayed in *Figure 22,* August was the highest-earning month with a total of nearly $12,000 earned across the four stores.

Figure 22. DUFB Earned



Through the end of 2015, DUFB customers had redeemed a total of nearly $26,000 on produce using the program. September had the highest total redemption of $5,800 (see *Figure 23*).

Figure 23. DUFB Redeemed



The total redemption rate (*i.e.,* percentage of earned DUFB rewards that had been redeemed) as of December 2015 across the four stores was approximately 61%.

Transaction data was also used to examine what types of produce participants were using the program to purchase. Some of the top local products customers were purchasing to earn rewards include green bell peppers, beefsteak tomatoes, watermelon, cabbage, and cucumbers. *Table 4* shows total amounts of these local products purchased by DUFB customers across the four stores.

Table 4. Top Local Products Purchased with DUFB

Product	DUFB Earned
Green bell peppers	$5,610
Beefsteak tomatoes	$5,210
Watermelon	$5,140
Cabbage	$4,350
Cucumbers	$3,230

Some of the top produce items customers were using their earned rewards to purchase include russet potatoes, iceberg/shredded lettuce, watermelon, red grapes, and bananas. *Table 5* shows the amount redeemed on these five products.

Table 5. Top Products Purchased with DUFB Rewards

Product	DUFB Earned
Russet potatoes	$1,780
Iceberg/shredded lettuce	$1,630
Watermelon	$1,090
Red grapes	$1,050
Bananas	$960

The number of unduplicated customers that participated in the program through the end of 2015 equals over 8,600 individuals across all four participating stores. Although a majority of DUFB participants only utilized the program at one store, some participants used the program at two or three different locations.

Price Chopper also shared data about overall sales of local produce for their pilot stores, which displayed an increase after DUFB implementation. From June–December of 2014 to June–December of 2015, a 12% increase in units/pounds of local produce sold was seen across the four pilot stores. Additionally, a 4% increase in sales of local produce (in dollars) was seen across the four stores. Although this number varies from units sold, it was indicated that these local products were sold

at a lower retail price. Thus, Price Chopper customers were purchasing more local produce but paying less for these products.

Recommendations

Recommendations To Enhance Implementation

Based on surveys, interviews, environmental scans, and transaction data, the following are recommendations to enhance implementation of the DUFB program in grocery stores.

- Development of a formal, standardized training session enhanced with video, PowerPoint slides or other visual aids that are available to all store employees. Training should be made available to all new employees before they are positioned at the registers.
- A refresher course should be offered for those employees who struggle to understand the program. "Hands-on" training at the register should take place to help cashiers through the entire process, from the beginning of a SNAP transaction to the end when cashiers share with customers the amount of incentives earned. Continue to have one-on-one conversations with employees and customers to answer questions and ensure employees understand the program completely.
- A system should be in place at each participating store to make certain all cashiers have completed training and understand how to implement the DUFB program correctly.
- A detailed script should be made available to all employees that addresses frequently asked questions about DUFB.
- A listing of locally grown fruits and vegetables eligible for DUFB at each register, which is updated as needed, should be easily accessible to the cashiers so that they know what locally grown produce is available at any given time.
- Store directors considering adopting the DUFB program should be invited to visit stores that have implemented the program.

Suggestions To Improve, Maintain, and Replicate the DUFB Program

The following suggestions aim to provide guidance for future grocery stores that choose to implement the program, based on what was found to have worked well during the pilot program and what were reported as areas that could use improvement.

- Increase customer awareness and knowledge of the program.
  - Place tables near the produce section that provide information about DUFB and feature locally grown produce.
  - Encourage cashiers to explain the program to SNAP customers.
  - Provide samples of locally grown produce for taste-testing.
  - Provide examples of how to prepare various locally grown fruits and vegetables.
- Expand the program to include additional quantities and wider variety of fruits and vegetables.

- Make certain fruits and vegetables advertised on the listing of locally grown produce are on the shelves.
- Seek other locally grown fruits and vegetables, typically not offered at grocery stores.

- Expand the eligibility of the program to include non-SNAP customers.
  - Consider offering incentives for those who are struggling financially but who are not eligible for SNAP benefits.

Discussion

Double Up Food Bucks is a program designed to increase access to and affordability of fresh fruits and vegetables for beneficiaries of the Supplemental Nutrition Assistance Program (SNAP). The DUFB program was launched at four Balls Price Chopper locations in the Kansas City metropolitan area in the summer of 2015. During the summer and fall of 2015, a research team at the University of Kansas Medical Center conducted a mixed-methods evaluation to assess the program's impact as well as benefits and challenges to the program. Overall, feedback gained about the program was positive and supportive.

Survey data gathered from Price Chopper customers shows that non-SNAP participants are supportive of the program and believe it allows SNAP participants to save money while eating healthier. Another benefit non-SNAP users see in the program is supporting local farmers. SNAP participants who had not used the program mainly reported their lack of knowledge about the program as their reason for not participating. A majority of SNAP beneficiaries reported they were likely to use the program during their next visit to the store. SNAP participants who had used DUFB reported that the program was easy for them to use, helped increase their fruit and vegetable intake, and was helping them save money.

Interviews conducted with Price Chopper employees also displayed positive feedback. Employees were supportive of the program and enjoyed the fact that it was able to help a portion of their customers to eat healthier and save money. Additionally, they reported that the program was easy to use, after an initial adjustment period, and that using the program did not require additional time to process transactions. The store directors all agreed that they were satisfied with DUFB and would choose to implement the program again.

Transaction data from DUFB show that, as of December 2015, DUFB customers had earned a total of $42,000 and redeemed a total of $26,000 across the four stores using the program. This equates to a redemption rate of approximately 61%. Popular products purchased using the program include bell peppers, tomatoes, watermelon, and potatoes. Overall, an increase in sales of local produce was seen across the pilot stores.

Recommendations for improving the program focus on increased communication and education about the program, both for customers and for grocery store employees. Having a formal, standardized training for employees would be beneficial for ensuring all employees have a good understanding of the program. Additionally, introducing an education component about preparation of local produce would be helpful for those customers who may struggle knowing how to prepare certain items.

Summary

Results from this evaluation demonstrate that implementation of the DUFB program is feasible and replicable in grocery stores. Non-SNAP customers were supportive of the program and SNAP customers who hadn't used DUFB reported they were likely to utilize the program in the future. Additionally, DUFB participants reported the program was easy to use and helped them save money while eating healthier. Further, DUFB participants showed a high redemption rate of their earned rewards. Grocery store employees reported positive experiences with implementing the program. Finally, an increase in local produce sold was seen across the four pilot stores.

Appendices

Appendix A: Survey for Non-SNAP Customers

DATE: **STORE LOCATION:** **DATA COLLECTOR'S INITIALS:**

We are talking with customers about different food programs… *Do you have a few minutes to answer a couple of questions about Double Up Food Bucks? The survey is completely confidential and we're not asking you to identify yourself.*

Just to confirm, you are currently participating in the SNAP Program, correct?

1. **Had you heard of Double Up Food Bucks before you came into the store today?** ____ Yes ____ No
2. [IF NO TO Q. 1] **Did you learn about DUFB in this store today?** ____Yes ___ No

   [IF NO TO Q. 2] *Provide brief overview of DUFB program.*
3. [If "YES" to Q. 1] **How did you hear about the program?** Please check all that apply.

____ Flyer or Brochure	____ Radio	____ Billboard
____ Friend or family	____ On the news	____ Telephone/town hall
____ Mail received at home	____ At the grocery store	____ Bus ad
____ Internet	____ At the farmers market	

____ Community organization, agency or school *(Please provide the name)*_____

____ Other *(Please describe)* _____

4. [IF YES TO Q.1 OR Q. 2] **Can you very briefly tell me what you know about the program?**

5. [ALL] **Is there a reason that you did not want to participate in DUFB today?**

6. [ALL] **How likely are you to participate in DUFB the next time you are in this store?**

Very likely (4)	Somewhat likely (3)	Not very likely (2)	Not at all likely (1)	*Not sure* (D/K)

7. **What is your zip code?** _____

8. **In what year were you born?** _____

THANK YOU FOR PARTICIPATING IN THE SURVEY!!

Appendix B: Survey for SNAP Customers Not Using DUFB

DATE: **STORE LOCATION:** **DATA COLLECTOR'S INITIALS:**

We are talking with customers about different food programs… *Do you have a few minutes to answer a couple of questions about Double Up Food Bucks? The survey is completely confidential and we're not asking you to identify yourself.*

Just to confirm, you are currently participating in the SNAP Program, correct?

1. **Had you heard of Double Up Food Bucks before you came into the store today?** ____ Yes ____ No
2. [IF NO TO Q. 1] **Did you learn about DUFB in this store today?** ____Yes ___ No

   [IF NO TO Q. 2] *Provide brief overview of DUFB program.*
3. [If "YES" to Q. 1] **How did you hear about the program?** Please check all that apply.

____ Flyer or Brochure	____ Radio	____ Billboard
____ Friend or family	____ On the news	____ Telephone/town hall
____ Mail received at home	____ At the grocery store	____ Bus ad
____ Internet	____ At the farmers market	

____ Community organization, agency or school *(Please provide the name)*_____

____ Other *(Please describe)* _____

4. [IF YES TO Q.1 OR Q. 2] **Can you very briefly tell me what you know about the program?**

5. [ALL] **Is there a reason that you did not want to participate in DUFB today?**

6. [ALL] **How likely are you to participate in DUFB the next time you are in this store?**

Very likely (4)	Somewhat likely (3)	Not very likely (2)	Not at all likely (1)	*Not sure* (D/K)

7. **What is your zip code?** _____

8. **In what year were you born?** _____

THANK YOU FOR PARTICIPATING IN THE SURVEY!!

Appendix C: Survey for SNAP Customers Using DUFB

DATE: **STORE LOCATION:** **DATA COLLECTOR'S INITIALS:**

We are talking with customers about an incentive program called Double Up Food Bucks…

[ASK IF CUSTOMER PARTICIPATES IN SNAP/DUFB PROGRAM, IF NO, SWITCH TO *NON-SNAP SURVEY*]

[IF YES, THEY DO PARTICIPATE IN THE SNAP PROGRAM ASK IF THEY HAVE A DOUBLE UP FOOD BUCKS CARD. IF NO, SWITCH TO *NON-DUFB CUSTOMER SURVEY*]

[If YES, THEY DO HAVE A DUFB CARD…] *Do you have a few minutes to answer a couple of questions about Double Up Food Bucks? The survey is completely confidential and we're not asking you to identify yourself.*

1. **Had you heard of Double Up Food Bucks before shopping today?** ____ Yes ____ No

2. **Did you get a new Price Chopper DUFB card today, or did you already have a Price Chopper DUFB card?**
   ____ I got a new DUFB card today ____ I already had a DUFB card

3. [If "YES" to Q. 1] **How did you hear about the Double Up Food Bucks program?** Please check *all* that apply.

____ Flyer or Brochure	____ Radio	____ Billboard
____ Friend or family	____ On the news	____ Telephone town hall
____ Mail received at home	____ At the grocery store	____ Bus ad
____ Internet	____ At the farmers market	

____ Community organization, agency or school *(Please provide the name)*_____

____ Other *(Please describe)* _____

4. **In what year were you born?** _____

5. **What is your zip code?** _____

6. **Did you use the DUFB program to buy fruits and vegetables today?** **____ Yes** **____ No**

[IF "YES" SKIP TO Q. 8]

7. **Is there a reason you did *not* use the DUFB program today?**

_____

_____

_____

[AFTER Q7, THANK CUSTOMER & STOP SURVEY HERE!

8. What <u>fresh fruits</u> did you buy today with SNAP or DUFB?

Please check *all* that apply. Do *not* include canned or frozen fruits.

___ Apples
___ Apricots
___ Blackberries
___ Blueberries
___ Cherries
___ Citrus fruits (oranges, lemons, etc)
___ Grapes
___ Melons (cantaloupe, watermelon, etc)
___ Nectarines
___ Peaches
___ Pears
___ Plums
___ Raspberries
___ Strawberries

Others _____

9. What <u>fresh vegetables</u> did you buy today with SNAP or DUFB?

Please check *all* that apply. Do *not* include canned/frozen vegetables.

___ Beets
___ Broccoli
___ Carrots
___ Corn
___ Cucumbers
___ Eggplant
___ Green Beans
___ Greens
___ Kale
___ Lettuce
___ Mushrooms
___ Onions
___ Peas
___ Potatoes
___ Spinach
___ Squash
___ Tomatoes
___ Zucchini, summer squash

Others _____

10. How easy or difficult would you say that it was to identify <u>*which*</u> fresh fruits and vegetables you can buy with DUFB?

____ Very easy ____ Somewhat easy ____ Somewhat difficult ____ Very difficult

11. Thinking about the amount of *time* it took to actually <u>*purchase*</u> the fresh fruits and vegetables at the cashier (using Double Up Food Bucks) would you say that it took …?

A lot less time then I might have expected	**A little less time** then I might have expected	About what I might have expected	**A little longer** then I might have expected	**A lot longer** then I might have expected
____	____	____	____	____

12. Overall, how easy was it to use the DUFB program today?

____ Very easy ____ Somewhat easy ____ Somewhat difficult ____ Very difficult

13. Was there anything not clear or confusing about using the DUFB program? If so, can you briefly describe what wasn't clear or what may have been confusing?

_____

_____

_____

14. Was this your first time using Double Up Food Bucks? ____ Yes ____ No

[IF "YES" TO Q. 14, THANK CUSTOMER & STOP SURVEY HERE!]

15. Have you ever used Double Up Food Bucks/Double SNAP at a farmers market? ___ Yes ___ No

16. Was this your first time using Double Up Food Bucks in a grocery store? ___ Yes ___ No

17. About how many times have you used Double Up Food Bucks this year?

____1 ____2-3 ____4-6 ____7-9 ____10 or more

18. Would you say that because of Double Up Food Bucks...	**Increased**	**Remained the Same**	**Decreased**
The amount of fresh fruits and vegetables that you buy has...	____	____	____
The amount of fresh fruits and vegetables that you eat has...	____	____	____
The amount of potato chips, candy and cookies you eat has...	____	____	____

19. Since using Double Up Food Bucks, do you find that you *budget* for groceries differently?

_____ Yes _____ No _____ Not sure

[IF "NO" OR "NOT SURE, SKIP TO Q. 21]

20. Can you describe *how* DUFB is affecting the way that you budget?

_____

_____

21. Do you have any recommendations for improving the DUFB program?

_____

_____

THANK YOU FOR PARTICIPATING IN THE SURVEY!!

Appendix D: Grocery Store Assessment

Store Name: **Today's Date:** **Interviewer Name:**

Grocery Store Evaluation Checklist:

Y	N	Clear signage of DUFB produce
Notes:		
Y	N	Amount of DUFB signage
Notes:		
Y	N	Amount of available LOCAL produce
Notes:		
Y	N	Quality of local produce
Notes:		
Y	N	Produce cooking demonstration
Notes:		
Y	N	Spanish signage
Notes:		

Appendix E: Cashier Interview Instrument

Date: **Interviewer Name:**

We want to know what ***you think about the Double Up Food Bucks (DUFB) program***! Please take a few minutes to answer these questions. The survey is **confidential** (no one will connect your name to your answers). Your opinion will help to improve the program... Thank you!

1. Store name/location: _____

2. Are you a...
   Produce manager? _____ Cashier? _____ Other? _____

3. Overall, how **easy** has it been to implement the Double Up Food Bucks program?
   (please circle your answer)

Very easy (5)	Easy (4)	Neither easy nor difficult (3)	Difficult (2)	Very difficult (1)

4. Please tell us **what was easy or difficult** about implementing the program?

5. [***For cashiers only***] Compared with a *non*-DUFB transaction, *on average*, about how much *extra* time – in minutes—would you say that it takes to process a DUFB transaction? _____

6. a. Please think about the **training and information** you got to work on Double Up Food Bucks. After the training, **how ready were you** to work on the program? *(please circle your answer)*

Very ready (4)	Quite ready (3)	Not very ready (2)	Not at all ready (1)

   b. Why do you think you **were ready or not ready** to implement the Double Up Food Bucks program after the training?

7. What, if anything, do you **like or appreciate** about the DUFB program?

8. What are your suggestions to **improve** the DUFB program?

Appendix F: Store Director Interview Instrument

As you may know, Double Up Food Bucks is being piloted at grocery stores in the Kansas City metropolitan area. We'd like to understand from your perspective, what has been working well with Double Up Food Bucks, what hasn't been working well, and how you would improve the program. This interview will take about 20–25 minutes and is confidential—your answers will be compiled with those from other managers across the pilot grocery stores. Do you have any questions before we start?

Please think back to when you first implemented Double Up Food Bucks in your store.

1. Please think about **the training** you received to start up DUFB in your store.
   - What was **most useful** for starting DUFB?
   - Were there **additional supports** that you wish you had received to implement the DUFB program?
2. When you think about the training for **cashiers and produce department staff . . .**

- Was the training adequate?
- Did you provide additional training for your staff?
- What recommendations do you have for enhancing the training?

*Please think about the **point of sale**—when customers get or use their DUFB cards/points with cashiers . . .*

3. From your perspective, how **easy or challenging was it for cashiers to process DUFB?**
   - What feedback, if any, have you heard from cashiers about processing DUFB?
   - Do you have any lessons learned or recommendations for making that process better?

*Please think about the **signage** in the store of DUFB-eligible produce . . .*

4. From your perspective, how **well did the produce signs work for DUFB?**
   - What feedback, if any, have you heard from produce managers about the sign work?
   - Do you have any **lessons learned or recommendations for produce signage?**
5. Fair Food Network and Mid-America Regional Council used a lot of different strategies to **communicate and market** DUFB to customers.
   - Did you use any **additional marketing strategies** to promote DUFB to your customers?
   - What strategies do you feel were **most and least effective** and why?
6. Please describe your experience with the **volunteers and/or demos.**
7. Overall, do you have any **lessons learned or recommendations for marketing** the program to customers?

When you think about your customers . . .

8. What **feedback** have you been hearing **from customers** about DUFB?
9. Have you heard from any customers that DUFB changed their purchasing behaviors? If so, how?

Other outcomes

10. Has your store experienced any **changes in your customer base** as a result of DUFB? If so, in what way?
    - From a purchasing perspective, do you believe that your store purchased more locally grown produce by having the DUFB program?
    - Do you feel your produce department had a greater focus on locally grown produce because of the DUFB program?
11. Did any other unexpected benefits emerge from having the DUFB program at your store?

Overall . . .

12. What have been any **other challenges** we haven't mentioned so far with implementing DUFB?
13. What **advice** would you give to other grocery stores planning to implement a similar program?
14. What **improvements or recommendations** would you have for the DUFB program?
15. Overall, how **satisfied** have you been with your store's participation in the program and why?
16. If you had it to do over again, would you agree to implement DUFB at your grocery store?

The CHAIRMAN. Thank you, Mr. Beal. I appreciate that.
Ms. Hess, 5 minutes.

STATEMENT OF PAMELA HESS, EXECUTIVE DIRECTOR, ARCADIA CENTER FOR SUSTAINABLE FOOD & AGRICULTURE, ALEXANDRIA, VA

Ms. HESS. Thank you. My name is Pamela Hess, I am the Executive Director of Arcadia, and I am beyond excited to be here this morning.

I came to the nonprofit food world from national security journalism. I covered the wars in Iraq and Afghanistan, and consequently, I spent a lot of time visiting people who had been injured, at Walter Reed. And as you know, the signature injury of those wars is a lower limb amputation.

So fast-forward to 2013 when I joined the nonprofit Arcadia Center for Sustainable Food & Agriculture, as Executive Director, here in D.C. Arcadia is dedicated to, among other things, dismantling the barriers to a healthy diet, which, in D.C., tend to be geography and income, and we reconnect the urban core to the rural economy.

The first time I went into the low-food access neighborhoods that we serve, I saw a remarkable number of people in wheelchairs and on crutches with amputated limbs, and I thought they were war veterans. My staff told me I was wrong; they have diabetes.

So here is some perspective. There are about 1,500 amputations from the wars in Iraq and Afghanistan, over 10 years of war, a result of a very diabolical and determined enemy. Do you know how many diabetic amputations there are in the United States in a given year? Let's look at 2010: 73,000 in 1 year. This is not a health system problem, or at least not just a health system problem, this is also a food system problem. It is about what you eat. But what you eat is largely dictated by the food that is convenient and affordable to you. For most low-income people in this city, that means processed and convenience foods, the excessive consumption of which correlates strongly with chronic diseases like diabetes, heart disease, hypertension, obesity, and many forms of cancer. We can't condemn people for making bad choices if they don't have a choice to begin with, at least not a convenient and affordable one. So Arcadia's mobile markets are trying to change that.

Our mobile markets are rolling farm stands that sell a complete healthy diet at affordable prices and convenient locations. You have our schedule in front of you. We make 14 regular weekly stops in our area.

Because we exclusively serve low-income neighborhoods, we accept eight forms of tender at least, each of which has unique rules. For instance, we double SNAP for fruits and veggies as well as proteins, and the fruits and veggies come through the Food Insecurity Nutrition Incentive Program that you all funded in the last farm bill, and we thank you for that because it is making a powerful impact on our customers. But all of those forms of tender make for a really complex point of sale that can be frustrating for my staff, a few members of whom are here today, and certainly for our customers.

So in 2015, we helped design and started using a custom iPad-based mobile point of sale system that we use out at our mobile markets. Our partner is Perigee Labs. It is called the Arcadia Farmers Register, and like other point of sale systems, it speeds transactions and improves our accounting, and it helps us manage

our inventory. But more importantly, it collects data that gives us keen insight into what our SNAP customers are purchasing, where, when, and how they are using FINI to maximize their nutrition per dollar. As near as I can tell, we are the only farmers' market or farm stand using something like this.

And so here is what we know from our data, and first the big picture. Our customers, the vast majority of whom are low-income, have pumped nearly $468,000 in new revenue into the rural economy, into the hands of farmers in the Mid-Atlantic since 2012. That is a powerful vote for healthy food.

Since 2012, the mobile market's annual revenues have increased by more than 400 percent, with no marketing budget, while serving some of the poorest neighborhoods in D.C. That is another vote. It is all by word-of-mouth.

Because we locate in the neighborhoods where folks who use SNAP live, work, or go to school, we have a disproportionate impact on this community.

So let's be clear. We are small, we are adorable, we roll around town selling vegetables out of the back of the green bus. So let's modulate our expectations here. We do less than two percent of all farmers' market business in Washington, D.C., but we redeem 30 percent of all SNAP benefits at farmers' markets in Washington, D.C., and that is because we are convenient, we are affordable, our food is first quality, it is not gleaned, it is not borrowed from other farmers' markets at the end of the day. And if you still wonder whether people on SNAP want healthy food, here you go. In 2012, our average SNAP customer took home about $7.50 worth of food from the mobile market. That has nearly tripled to $19 per SNAP transaction at the mobile market in this last year. So FINI encourages healthy purchases. And again, this is what you all funded in the farm bill. Our SNAP customers are the most likely among all of our low-income customers to reach into their pockets for cash to buy even more food. That is important because it means our SNAP customers value the food enough to buy it without the 50 percent discount they are getting from FINI. When our SNAP customers also use cash, they spend an additional $6.93 per transaction, on average, and that goes straight into local farmers' pockets.

In 2015, 70 percent of our SNAP transactions included produce. In 2016, the total was 81 percent. That is a bold upward trend for produce.

So let me repeat that, because of FINI, the popularity of produce is trending up.

Now for the nitty-gritty. The top four products sold to our SNAP customers in 2016 were fruits and veggies. We sold 972 pounds of apples, 860 pounds of peaches, 514 pounds of onions, 409 pounds of kale. In the last 2 years since we instituted our point of sale system, we have sold 675 pounds of apples, 1,475 pounds of peaches, 1,098 pounds of cantaloupe, 812 pounds of potatoes, and 796 pounds of kale. We are demonstrating every day that if you make wholesome food affordable and convenient, low-income people will purchase it and consume it in ever-increasing amounts. That is good for the rural economy, and it is great for public health.

I look forward to your questions. Please ask me about Yvonne Smith, one of our customers.

[The prepared statement of Ms. Hess follows:]

PREPARED STATEMENT OF PAMELA HESS, EXECUTIVE DIRECTOR, ARCADIA CENTER FOR SUSTAINABLE FOOD & AGRICULTURE, ALEXANDRIA, VA

Thank you, Mr. Chairman, and to the Ranking Member for having me here today.

I came to the nonprofit world from journalism. I covered the military and the CIA for nearly 20 years. I covered the wars in Iraq and Afghanistan, and consequently I spent a lot of time visiting people who had been injured visited at Walter Reed. As you know, the most visible injury of those wars is a lower limb amputation.

Fast forward to 2013 when I joined the nonprofit Arcadia Center for Sustainable Food & Agriculture here in D.C. Arcadia is dedicated to among other things dismantling the barriers to a healthy diet.

The first time I went out on Mobile Markets in the low-food access neighborhoods we serve, I saw a remarkable number of people in wheelchairs and on crutches, with amputated limbs. I thought they were war veterans. I was wrong. They were victims of diabetes.

There have been about 1,500 amputations from 10 years of war, resulting from the work of a very diabolical and determined enemy. Do you know how many diabetic amputations there are in this country? In 2010 alone, about 73,000.

This isn't just a health system problem. This is a food system problem: what you have access to, what you can afford, and what you consume.

There are two food systems. There is the one most of us enjoy, where you can access just about anything you want, whenever you want. But if you have limited income and lack reliable transportation, you are primarily eating what's in your immediate neighborhood, which for most low-income people in Washington, D.C., means what's available from convenience stores and fast food.

If we are going to address the galloping rates of chronic disease which cost the United States somewhere north of $300 billion a year, healthy foods need to be just as ubiquitous, inexpensive and appealing as the processed and convenience foods that so many of us—regardless of income—eat regularly. If you have ever tried to diet, you know how hard it is. If you can't afford healthy food or access it conveniently, it is almost impossible to make a sustained change in your diet.

And we all pay the price for the bad quality diets most Americans eat. Beyond the human cost, as a nation we all bear the burden in increased health care costs, insurance premiums, Medicaid, Medicare, and lost productivity.

Arcadia is trying to fix that, here in Washington.

Our nonprofit was established in 2010 by restaurateur Michael Babin.

We work in three interlocking mission areas:

Sustainable Agriculture

We grow food on our vegetable farm in suburban Virginia on the grounds of the National Trust for Historic Preservation's Woodlawn-Pope-Leighey. We train military veterans to be farmers on that same land, which incidentally was once cultivated by George Washington himself after he resigned his military commission. So we are increasing the supply of wholesome food and farmers to grow it in our region.

Farm and Nutrition Education

Then we use the farm as a campus for school children to learn about agriculture, connect the food they eat to where it originates, and to get them excited about healthy food. It works: we see a 29 percent increase in the number of kids who like eating beets after they attend a field trip to our farm. So we are building demand for wholesome food even as we add to the supply.

But none of that does any good if you don't have a way of getting that food into the hands of the people who need it the most.

Food Access

That is where our market-based distribution model comes in. We have two Mobile Markets. The Mobile Markets are rolling farm stands that stock a complete healthy locally grown diet—from fruit and vegetables and herbs to milk, pastured and grass fed meat, eggs, and sustainably sourced fish. We take the farm stand to neighborhoods without a quality, affordable source of food. We pop out our awning, set up tables and tents and within about 30 minutes, have a fully functioning farmers' market. We do this at 14 regular weekly stops in low-food access neighborhoods—places with high use of SNAP (the supplemental nutrition assistance program), low-car ownership and typically no store that can support a healthy diet within about

a mile. We serve areas where people don't have much money, rely on public transportation, and have limited geographic access to wholesome food.

How the Mobile Markets Work

The Arcadia Mobile Markets prove that if you make high-quality food affordable and convenient, you can change the way people eat. Because our work centers on low-income communities, it is especially applicable to this discussion.

Healthy food needs to be just as ubiquitous, cheap and appealing as the processed and convenience foods that so many of us—regardless of income—eat regularly. If you have ever tried to diet, you know how hard it is. If you can't afford healthy food or access it conveniently, it is almost impossible to make a sustained change in your diet.

This is not an emergency food pantry, as necessary as those are. Our customers spend their own resources—be it their own money or a nutrition benefit—to select the most nutritious, fresh, local food. They buy it. They value it. They eat it.

We accept at least eight forms of tender—SNAP, WIC, Senior FMNP vouchers, Produce Plus vouchers, cash, debit, credit and our own coupons. Each of the forms of tender has their own rules. We also double WIC and Senior vouchers, but those are only for produce. PPP is good for $10 in produce and is not doubled.

We make it affordable by matching SNAP purchases at the register for fruits, veggies, and proteins dollar for dollar. What that means for our customers is a 50 percent discount on the highest quality food possible. Our fruit and vegetable SNAP sales are matched through the Food Insecurity Nutrition Incentive program the Congress funded in the last farm bill via our partner Wholesome Wave. It is a game changer, which our data demonstrates.

Our SNAP protein sales or clean, grass-fed, pastured meat, eggs, and milk—and our fruit and veggie match for WIC and Senior FMNP vouchers—are matched by other donors, including the Bainum Family Foundation, William S. Abell Foundation, Power Supply, Inova, George Washington University's Inversity program, and Alston & Bird.

Leveraging Technology to Increase Food Access

As you can imagine, this makes for a complex, and sometime confusing point of sale. To make our transactions and our financial reporting easier, in the winter of 2014 we put up a request on Facebook for someone savvy with technology to help us create a point of sale system we could use on the Mobile Market to easily ring up our transactions.

Perigee Labs stepped up to partner with us, and they designed an elegant, iPad-based point of sale system—a glorified cash register—that we can use at our market stops to ring up sales that does all that math for us without a WiFi connection. Because we are a nonprofit and want to minimize costs, we built this for a second-generation iPad, available refurbished for around $250.

The Arcadia Farmers Register speeds customer transactions, manages inventory, and expedites financial reporting. Because it associates every transaction with the form of tender used to purchase it, the location, time, and price, it also yields valuable data on the food purchasing patterns of our customers. Arcadia is now working with the city of Washington to use the data to inform and design food policies and interventions that encourage the purchase of nutrient dense foods.

The Arcadia Farmers Register is a scalable solution to creating a national database of healthy food purchasing behaviors available free of charge to government policy makers and public health researchers. It can also be used to ascertain prices at farmers' markets nationwide, and to improve the farm business valuation system used to determine capital lent to small farmers.

It was used this year by ten organizations and farms across the nation who are also working in healthy food access.

Real Food Farm in Maryland,
Grow Ohio Valley in West Virginia,
The Kellyn Foundation in Pennsylvania,
Waterloo Greens to Go in Iowa,
Healthy Here in New Mexico,
Vegas Roots in Nevada,
Seacoast Eat Local in New Hampshire,
Good Food Bus in Maine,
DC Urban Greens in Washington, D.C., and
Mill City Grows in Massachusetts.

Data Gathering

But the more we used the Farmers Register, the more we began to see its transformational value: the data on the back end. Because of the Arcadia Farmers Register, we understand what our customers buy, what they want, how they use their Federal nutrition benefits, and how they combine them with cash or other benefits to maximize the healthy food their families get.

We can analyze the impact interventions like cooking demonstrations and coupons have on promoting products and changing behaviors. We no longer go "on our gut" or anecdotally to determine what works in improving our customers' diets. We can rely on cold, hard data.

The question is often asked: what are SNAP customers using the benefit to buy?

As a rule, people in my line of work have relied primarily on self-reporting surveys of SNAP customers to answer that question. While useful, the results can be a little unreliable. Ask me what I had for breakfast this morning and I am far more likely to admit to my oatmeal at 7 a.m. than I am to the donut chaser at 10 a.m. The Arcadia Farmers Register tracks what customers who use SNAP purchase at every stop, every day, every week, every season.

Because they choose what they want and spend their own resources, we know they are eating the food. We can measure actual changes in purchasing patterns, track improvements, and figure out what works to increase our customers' consumption of the most nutritious foods.

Results

First, the big picture:

- Our customers, the vast majority of whom are low income, have pumped more than $468,000 in new farm sales into the rural economy in the Mid-Atlantic—revenue farmers would not otherwise have without the Arcadia Mobile Markets as they do not have access to these customers.
- Since 2012, Mobile Market annual revenues have increased by more than 400 percent with no marketing budget while serving the poorest neighborhoods in Washington, D.C. This remarkable increase in revenue has occurred almost entirely through word of mouth. Our sales have increased because our customers love the food and the prices
- Although the Mobile Markets represent less than two percent of total farmers' market revenues in Washington, D.C., we redeem about 30 percent of all SNAP benefits used at farmers' markets in the city. We have a disproportionate impact on the SNAP-using community. We attribute this to our locations—we are convenient to SNAP customers—to our prices, to the high quality and variety of offerings, and to our customer service.
- In 2012, our average SNAP customer took home about $7.50 of food from the Mobile Market That has nearly tripled to about $19 per SNAP transaction. That means our SNAP customers tried this food and doubled down using their EBT cards. They have increased their demand and consumption of nutritious food.

The impact of FINI: FINI encourages healthy purchases:

- Our SNAP customers are the most likely among all low-income customers to reach into their pockets for cash to buy even more food. This is important because it means that these customers so value the food they get they are willing to spend their own money on it without getting the 50 percent discount. This is proof the FINI program works and meets a need.
- More proof the FINI program is creating converts. While SNAP customers only used cash in two percent of their transactions during the past two season, those two percent are strong users, with an average amount of additional cash spent at $6.93 per transaction. Compare that to the next highest users, PPP customers, who are getting $10 in free fruits and veggies. PPP customers who spend cash spend an average of $2.22. Keep in mind that SNAP can be spent on any food at any store. In contrast, PPP is free and can only be used for produce at farmers' markets in D.C. This statistic, while complex, is important because it demonstrates that SNAP customers are willing to invest more of their own resources, which could be spent on any SNAP eligible item, on produce and then invest their own money.
- We did 3,769 SNAP transactions over the last two seasons. 75 percent of all SNAP transactions went for produce. That number is trending up, from 70 percent [in] 2015 to 81 percent in 2016.

- The increase in produce sales to SNAP customers is remarkable considering the similar increase in D.C.-funded Produce Plus benefits. That means overall demand for healthy produce is sharply increasing.

SNAP customers spent more than $37,000 on produce during the past two seasons, ½ of the total attributable to FINI:

- 1,675+ pounds of apples.
- 1,475+ pounds of peaches.
- 1,098+ pounds of cantaloupe.
- 812+ pounds of potatoes.
- 796+ pounds of kale.

The popularity of produce is trending up:

- The top 4 four products sold to SNAP customers in 2016, based on transactions, are 'Produce'—they are in fact six of the top ten. Our SNAP customers have other choices—they can also buy meat, eggs, cheese and milk. But they increasingly choose fruits and vegetables, and more of them.
- That is a dramatic change from 2015, when produce cracked the top four only once: apples.

In 2016 our top 4 SNAP purchases, all of which leveraged FINI funds:

- 972 pounds of apples, a 38 percent increase over 2015.
- 860 pounds of peaches, a 40 percent increase over 2015.
- 514 pounds of onions, an 83 percent increase over 2015.
- 409 pounds of kale, a six percent increase over 2015.

More than 70 percent of our transactions occur with verified low-income customers using some form of nutrition benefit. Here's what we know since we implemented the Farmers Register in 2015. It is just a taste of what our customers took home from us for the last two seasons.

- 7,865 customers bought 14,467 lbs of local peaches.
- 7,810 customers bought 13,879 lbs of local apples.
- 1,984 customers bought 7,473 lbs of local watermelons.
- 2,385 customers bought 9,814 lbs of cantaloupe.
- 3,706 customers bought 5,195 lbs of kale.
- 2,871 customers bought 4,258 lbs of summer squash.
- 2,277 customers bought 4,019 lbs of sweet potatoes.
- 2,160 customers bought 5,587 lbs of cabbage.

Nutrition incentives change lives.

One of our customers, Yvonne Z. Smith, shared her story with me. Yvonne is 64, in her own home in Washington, D.C.'s Ward 8. She has crippling arthritis and is on disability—like many seniors in this country she is at particular risk of food insecurity. Until this year she was diabetic. Because her housing costs are more than 50 percent of her income, she qualifies for SNAP—a total of $16 a month. It's not much, but it helps.

She uses SNAP at the Mobile Market, so her $16 becomes $32. She leverages PPP get even more produce and also uses cash.

She has cut all processed foods and simple sugars out of her diet. She cooks collards and kales in big batches in a crockpot twice a month, freezes them, and eats them three times a week. She has raw salads four times a week. The magnesium in the greens cuts down on the inflammation from arthritis. She eats brown rice and only rarely white potatoes.

Yvonne is now free from diabetes. The Mobile Market's rich, seasonal selection of affordable, sustainably grown vegetables is critical to her transformation and ongoing health.

"Organic is seen as something only for the rich. Having access to vegetables that you might not try is important," she told me. "Mushrooms, for example. I use them when I cook beef and that means I cut down on the amount of beef because of the texture, and (Arcadia has) them more reasonable than grocery stores."

"I am the person for whom just a little help is important," she told me. "It is the access to the vegetables within blocks of me that made all the difference, and the (incentives)."

About Arcadia

The History of the Arcadia Center for Sustainable Food & Agriculture

Washington, D.C. restaurateur Michael Babin founded Arcadia to fix a problem he first came into contact with when trying to source local, responsibly well-grown fruits and vegetables for his restaurants. The supply was small and the price was high.

He asked himself: if this is so difficult for me, what does that mean for the rest of Washington? That question quickly led him to the public health crisis engendered by our food system: exceptionally effective at producing nutrition-free calories that are cheap at the point of sale but devastatingly expensive for public health. With few nutritious choices, constrained resources, and limited transportation, low-income communities suffer disproportionate rates of chronic disease that result from our industrial food system—diabetes, hypertension, heart disease and obesity. The health care cost to the United States annually is staggering—nearly $½ trillion.

Babin created Arcadia, a 501(c)[(3)], in 2010 to innovate solutions to the gaps he saw in the local food system with the mission of improving public health through food.

He established Arcadia on the National Trust for Historic Preservation's Woodlawn-Pope-Leighey site in Alexandria, Va., just 14 miles from the nation's capital. Woodlawn is the first property the Trust ever purchased to save, and Arcadia has returned agriculture to this historic farm. This land was Dogue Run Farm, once part of George Washington's Mount Vernon. But its significance for the local food movement goes well beyond the first President.

In 1846, 2 decades before the Civil War and the Emancipation Proclamation, timber merchants bought the then—2,000 acre—property from Washington's family. These merchants were, not insignificantly, Quakers and abolitionists, and they had a plan for the property: Woodlawn would be a slavery-free farming community that would prove to the rest of the South that slavery was not necessary for a farm to thrive. They sold plots to free African-Americans, Irish and German immigrants, and other Quakers. They established the mansion as an integrated school for the town's children and created an integrated militia to protect the citizens. As a "free labor zone," for the first time in the Woodlawn's history, it was a profitable farming operation.

Arcadia, like the Quakers before us, is using food and agriculture to advance social justice.

Standing on the shoulders of those who came before, Arcadia is partnering with the National Trust for Historic Preservation to transform the 126 acre Woodlawn-Pope-Leighey estate into a true Center for Sustainable Food & Agriculture.

Just 25 minutes from Washington, D.C., Arcadia at Woodlawn will offer a landmark destination farmhouse restaurant, year-round farm stand, farm café, Virginia wine and cider tasting room, and craft food pavilion that will link the property's inspiring legacy of social and racial justice to food equity, public health, and the strengthening of the regional food system. Arcadia's programming and events will be expanded to include food policy conferences, lectures, culinary and gardening classes, edible landscaping, art and design events, and an expanded veteran farmer training program, enriched school programs, and experiential agriculture.

Arcadia at Woodlawn will once again reclaim the central role the property has historically occupied, serving as a beacon for food justice, environmental sustainability, and a healthy food system.

Arcadia has launched a $20 million capital campaign to fund the rehabilitation of the historic farm buildings and finance new construction.

The CHAIRMAN. Thank you, Ms. Hess. You will need to learn to talk a little quicker.

Ms. Newport for 5 minutes.

STATEMENT OF MELINDA R. NEWPORT, M.S., R.D./L.D., DIRECTOR, WIC AND CHILD NUTRITION PROGRAMS, CHICKASAW NATION DEPARTMENT OF HEALTH, ADA, OK

Ms. NEWPORT. Good morning, Mr. Chairman, and Members of the Committee. Thank you for the invitation to present testimony today. I would particularly like to acknowledge Congressman Lucas, and thank you for your many years of service to Oklahoma citizens.

My name is Melinda Newport, I am Director of WIC and Child Nutrition Programs with the Chickasaw Nation. I bring you greetings from Bill Anoatubby, Governor of the Chickasaw Nation.

The Chickasaw Nation has more than 63,000 citizens, and our jurisdictional boundaries encompass 13 counties in south central Oklahoma. We administer several USDA FNS programs, as well as a variety of nutrition-related demonstration and research projects. As a registered dietician, having worked at the national level on many challenging nutrition program issues over the last 30 years, I am pleased to share the innovation in our Healthy Hunger-Free Kids Act Demonstration to End Childhood Hunger, also known as Packed Promise.

Although we administer a number of Federal, state, and Tribally funded nutrition programs, we still find there are gaps in rural areas; evidenced by the fact that 15 percent of households remain food-insecure. One in four children in Oklahoma experience hunger. Transportation is often an issue among the food-insecure clients, and limited access to grocery stores with quality food choices in rural areas is common. To help eliminate these barriers, as well as the stigma often associated with food-assistance programs, the idea for direct mail food benefit via an online grocery shopping experience was conceived. The Packed Promise project is designed to test the viability of an online ordering system and home delivery of food benefits to household with school-age children who qualify for free school meals. A unique feature of the Packed Promise project is the partnership between the Chickasaw Nation and Feed the Children, a nonprofit food assistance organization. This public-private partnership with Feed the Children provides logistics experts, a broad network of volunteers, and the food-buying power to allow an increased number of children to be served for far fewer dollars. Families choose from five food packages comprised of nutrient-dense, shelf-stable food items from a food ordering website. A couple of examples of the food packages may be found in the printed version of this testimony. Each child receives one 25 pound box of shelf-stable foods, plus a $15 fresh check to purchase fresh or frozen fruits and vegetables at Chickasaw Nation WIC-authorized retailers or farmers' markets. This benefit provides adequate food for an evening meal, plus one snack each day, intended to supplement the National School Lunch Program.

The overall goal for the food package is to provide a well-balanced, nutrient-dense food benefit that offers commonly accepted foods, while providing exposure to a few unfamiliar wholesome food options. Food requiring minimal preparation were included to accommodate the potential that youth may prepare meals on their own.

The direct mail food benefit is intended to alleviate episodic food insecurity by delivering the food package at the time of the month when SNAP benefits would likely have run out. To date, Packed Promise has provided benefits to an average of 3,500 children for each of the past 9 months.

USDA has commissioned a rigorous independent evaluation of the project to be performed by Mathematica Policy Research to look at the change in the prevalence of food insecurity among children,

improvement in diet quality, and evaluation of costs associated with the project.

A couple of anecdotes I would like to share. A grandmother shopped with her grandchildren to let them choose their fruits and vegetables with their FRESH check. One child chose a pineapple. The grandmother was unfamiliar with how to cut up a fresh pineapple, so she looked up a how-to video on YouTube. Her children loved it, and she said it was their first time to try fresh pineapple. A grateful father called to express appreciation for the program, and said it not only helps financially, but it has also changed some of his family's eating habits, such as eating more beans, tomatoes, and vegetables they do not normally choose to buy. He said this has provided healthier options for his family.

Chairman Conaway, we appreciate the Committee's commitment to ensuring the viability, strength, and quality of Federal nutrition programs, and in particular, a focus on innovations that might enhance the effectiveness of our country's largest nutrition safety net program.

In conclusion, it appears online ordering of foods and direct shipment to the home is a viable model for addressing food insecurity for rural families, while ensuring access to more nutritious foods. Investment by Federal nutrition programs and targeted foods of high nutritional quality, and educational support to assist families in using those optimally, is critical to reducing food insecurity, as well as avoiding many costly chronic diseases, as we have heard.

Thank you for the opportunity to share our experience. I look forward to answering any questions you may have.

[The prepared statement of Ms. Newport follows:]

PREPARED STATEMENT OF MELINDA R. NEWPORT, M.S., R.D./L.D., DIRECTOR, WIC AND CHILD NUTRITION PROGRAMS, CHICKASAW NATION DEPARTMENT OF HEALTH, ADA, OK

Mr. Chairman and Members of the Committee, thank you for the invitation to present testimony today. I would particularly like to acknowledge Mr. Frank D. Lucas, our Representative from Oklahoma, and thank you for your many years of service to our citizens.

My name is Melinda Newport, M.S., R.D./L.D., Director, WIC and Child Nutrition Programs, Nutrition Services, for the Chickasaw Nation. I bring you greetings from Bill Anoatubby, Governor of the Chickasaw Nation. The Chickasaw Nation administers several United States Department of Agriculture (USDA) Food & Nutrition Services (FNS) programs, as well as, a variety of nutrition-related demonstration and research projects. As a registered dietitian having worked at the national level on many challenging nutrition program issues for more than 30 years, I am pleased and honored to testify today.

Chairman Conaway, we appreciate the Committee's commitment to ensuring the viability, strength and quality of Federal nutrition programs and, in particular, a

focus on innovations that might enhance the effectiveness of our country's largest nutrition safety net program. Increasing access to and availability of nutritious foods for families in rural areas is a challenge. On behalf of the Chickasaw Nation, thank you for this opportunity to share regarding innovations in our Healthy Hunger Free Kids Act Demonstration to End Childhood Hunger, also known as Packed Promise.

The Chickasaw Nation has more than 63,000 citizens and our jurisdictional boundaries encompass all or part of 13 counties in south-central Oklahoma.

Common Access Barriers to Nutritious Foods

In spite of the Chickasaw Nation's administering a dozen or so Federal, state and Tribally funded nutrition programs, we still find there are gaps in rural areas, evidenced by the fact that 15.5% of households remain food-insecure. Children's development, health, and well-being depend on access to a safe and secure source of food. In Oklahoma, 25.6% of children are food-insecure, meaning they either go hungry or do not receive the minimal nutritional amounts set forth by the USDA. Due to the rural nature of the Chickasaw Nation, many participants live in food deserts, the closest grocery store is often 10 miles or further from their home. The Chickasaw Nation has observed that transportation is often an issue among the most food-insecure clients and limited access to grocery stores with quality food choices in rural areas is common. To help eliminate these barriers, as well as the stigma often associated with food assistance programs, the idea for a direct mail food benefit via an online grocery shopping experience was conceived.

Healthy Hunger-Free Kids Act to End Childhood Hunger Demonstration Projects

In 2014, USDA administered a competitive grant process with the purpose to test innovative strategies to end childhood hunger. This included alternative models for service delivery and benefit levels that promote the reduction or elimination of childhood hunger and food insecurity. USDA placed special emphasis in targeting areas or populations where there are currently elevated levels of food insecurity or gaps in nutrition assistance program coverage.

The Chickasaw Nation's Packed Promise project was one of five projects awarded nationally through USDA's Demonstration Projects to End Childhood Hunger grant. Packed Promise is designed to test the viability of an online ordering system and home delivery of food benefits to households with school-age children who qualify for free school meals.

Packed Promise Project Design

A unique feature of the Packed Promise project, is the partnership between the Chickasaw Nation and *Feed the Children,* a 501(c)(3), nonprofit food assistance organization with expertise and vast experience in global food operations such as: bulk food ordering, packaging, and delivery. Feed the Children provides logistics experts, a broad network of volunteers, and the food buying power to allow an increased number of children to be served for fewer food dollars. Working together in a mutually supportive partnership, the national public nutrition assistance and private food assistance systems can prevent and eradicate the unnecessary health problem of childhood hunger. Furthermore, the convenient geographic location of one of their distribution centers created an appealing efficiency. We also leveraged the existing website developed by Feed the Children for online food ordering for individuals and households and customized the content with Packed Promise branding.

As the only viable access point to reaching children across rural Oklahoma, the Chickasaw Nation collaborates with school districts to identify students who have elevated levels of food insecurity. In order to be included in the demonstration area, school districts had to meet the following inclusion criteria—(1) a county with a diabetes prevalence rate of 15% or higher, (2) a county with 15% of households with children less than 18 years old who fall below the poverty line for income, (3) a county with a general population greater than 9% Native American, (4) exceed 50% free school meal eligible student population, ([5]) exceed the state wide average of 16.6% Native American student population, ([6]) located within the Chickasaw Nation jurisdictional boundaries.

The home delivery portion of the project design creates an experience similar to online grocery shopping. Families choose from five food packages comprised of nutrient dense, shelf stable food items from a food ordering website. Each month participants order their food boxes via the website or by calling the Packed Promise team. Each eligible child receives one 25 pound box of shelf stable foods plus a $15 FRESH check to purchase fresh or frozen fruits and vegetables at Chickasaw Nation WIC authorized retailers or Farmers' Markets. Nutrition education, recipes, vendor information, and other project tips are also available on the food ordering website.

The Packed Promise demonstration project provides an approximate retail value of $60 to $80 of food per month dependent upon the food package selected. Feed the Children, through their food buying expertise, volume purchasing, and use of donor relationships, is able to provide the food benefit for an average cost of $20.08 per food box. This benefit level provides adequate food for an evening meal plus one snack per day, intended to supplement the National School Lunch Program. Feed the Children competitively bid and awarded a contract to UPS to provide the delivery service.

The Chickasaw Nation believes this innovative project will help alleviate food insecurity and improve diet quality, while proving to be a cost affordable food delivery model.

Nutritional Content of Food Package

The updated Nutrition Standards for School Meals were reviewed alongside the *Dietary Guidelines for Americans* and MyPlate recommendations for the project's targeted student population. From this review, the need for increases in the protein, whole grain and vegetable food groups were identified to effectively fill the biggest nutrient voids experienced by school-age food-insecure students. Dairy and fruits are offered at every school meal, so the focus was smaller on these food groups. A committee of Chickasaw Nation registered dietitians was also mindful of fat and sodium content, and chose to primarily offer low-fat, minimally processed packaged choices with low to moderate sodium content.

The overall goal for the food package is to provide a well-balanced, nutrient dense food benefit that offers commonly accepted foods, while providing exposure to a few unfamiliar wholesome food options. Foods requiring minimal cooking or preparation were included to accommodate the potential that youth may prepare meals on their own.

The Chickasaw Nation is aware that SNAP benefits are provided on a rolling month cycle. As SNAP benefit cycles end and food dollars run out, participants commonly report lack of food adequacy. As part of this implementation, participants answered questions regarding the week of the month in which they experience highest feelings of food insecurity, and, based on that, selected the week of the month in which they desire to receive their monthly direct mail benefit. The goal is that the direct mail food benefit will alleviate this episodic food insecurity by delivering a benefit during this critical time frame.

Packed Promise Implementation Facts

The Chickasaw Nation implemented the Packed Promise demonstration project in February 2015 and has provided benefits to families for the past 9 months. On average, 1,500 households comprised of 3,500 children receive benefits each month. To date, Packed Promise has shipped 793,000 pounds of food to vulnerable Oklahoma families. These families have redeemed $261,000 in fresh fruits and vegetables by using their FRESH checks delivered along with their food boxes.

Approximately 65% of participants place their orders online, while the remaining 35% call Packed Promise specialists who place the participants' orders on their behalf.

It was initially perceived that this most vulnerable population move or change their place of residence often. Over the course of the past 8 months, less than a fourth, 22.59%, of the Packed Promise participants have indicated a change of address.

Evaluation

USDA commissioned a rigorous independent evaluation of each demonstration project. The evaluation is being performed by Mathematica Policy Research, Inc. The primary evaluation outcomes of interest are the change in the prevalence of food insecurity among children, improvement in diet quality, and evaluation of costs associated with the project.

Documented Success Stories

- *Grandmother and FRESH check experience*—A grandmother shops with her grandchildren to let them choose fruits and vegetables. One child chose a pineapple. The grandmother was unfamiliar with how to cut a fresh pineapple, so looked up a "how to" video on YouTube. Her grandchildren loved it, and she said it was their first time to try fresh pineapple!
- *Grateful father*—A father called to express appreciation for the program and said it not only helps financially, but it has also changed some of his family's eating habits, such as eating more beans, tomatoes and other vegetables they

do not normally choose to buy. He said it has provided healthier options for his family.

- *Hummus—tried it, loved it!*—A mother called and said that her son had never tried hummus, but "gave it a shot" since it was in the box. Now he takes it every day in his lunch for school and buys celery with the FRESH check to dip in his hummus!
- *Help at just the right time!* Staff were able to connect with a participant that had never placed an order before and was on unpaid leave from work after having surgery. She said God had answered her prayers when her phone rang and our staff was on the line explaining the program and taking her order for food!
- *Christmas every month!*—One mom called to place her monthly order and expressed extreme gratitude for Packed Promise. She stated that her family received the boxes every month, but to this day her girls still act like it's Christmas when the boxes arrive on the doorstep. They run to carry them inside and squeal with excitement when opening the boxes!

Future Considerations

As the Packed Promise demonstration is nearing the mid-point of its 2 year implementation period, some adjustments are being considered. Since participants are limited to five food packages, modifications to the content of each package are being evaluated to increase variety and exposure to new foods, while alleviating repetitiveness. A goal of maintaining the overall nutritional composition will remain a priority.

In our initial concept design, individual food item ordering was preferred *versus* ordering from a limited number of food packages. However, individual food item ordering presented multiple cost constraints such as maintaining adequate inventory of items, limiting bulk purchasing of items, and the take rate of specific short dated food items presents potential waste. In the nonprofit food assistance model, the ability to bulk order the contents of the food packages offers a significant cost savings and grouping items into food packages increases the inventory control. The Chickasaw Nation would be open to exploring an individual food item ordering model in a retail environment that would still gain access to volume purchasing, but would be able to offset some of the disadvantages through distribution of items to other store patrons if not ordered by program participants.

The WIC Program EBT model allows the ability to prescribe specific nutrient dense food items and quantities for purchase at the participant's convenience. In the future, our preference would be to transition the $15 FRESH check benefit to an EBT card. With a check benefit, the entire amount of the check must be used all at once. Transitioning the fresh component to an EBT card would allow the participant to purchase produce as needed, would reduce stigma during shopping in the check-out lane, and the benefits for multiple children in a household could be aggregated on a single card.

Conclusion

In conclusion, it appears online ordering of foods and direct shipment to the home is a viable model for addressing food insecurity for rural families, while ensuring access to more nutritious food choices. Food assistance programs continue to be a key factor in building healthy and economically strong communities. Investment by Federal nutrition programs in targeted foods of high nutritional quality, and educational support to assist families in using those optimally, is critical to reducing food insecurity, as well as, avoiding obesity, diabetes and other costly chronic diseases that compromise quality of life.

Thank you, Mr. Chairman, and Members of the Committee for this opportunity to share our experience. I look forward to answering any questions you may have.

ATTACHMENT

Online grocery shopping experience
4,523 vulnerable Oklahoma children
eligible each month
Hope delivered right to your doorstep
Our food kits help support your child's nutrition needs.
SHOP FOOD KITS
Packed Promise
25 pounds of food plus a $15 check for fruits and vegetables per child
Over 793,000 pounds of food shipped to date!
Packed Promise

The CHAIRMAN. Thank you, Ms. Newport.

The chair will remind Members they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. I appreciate Members' understanding.

I recognize myself for 5 minutes.

First off, thank you very, very much. I am not sure I have had five witnesses give us as much good news about a hard topic as you folks have just given us. It is particularly gratifying to see you are not waiting on the Federal Government, you are reaching out, you are doing things in your own spaces that you believe are in the best interest of Americans, and I really appreciate and thank you

for that. Quite frankly, you are a lot more nimble at addressing issues than any government body can be, and I appreciate that.

Mr. French, Mr. Lovelace, you both mentioned online transactions and security, can you flesh that out a little bit? How would that work without PIN numbers or without the normal circumstances with respect to a SNAP EBT card *versus* other credit cards that people might use? How would we know that the SNAP beneficiary that is using that card online is actually the person that is supposed to be using it? Can you walk us through a little bit of that?

Mr. FRENCH. Sure. I will go first. First of all, like I mentioned in my testimony, we absolutely share the Committee's focus and prioritization on preventing fraud within the SNAP Program. I am probably not the best person to go super deep on the actual kind of technical implementation, so I am happy to follow up on that offline, but what I can say is we have spent some time researching this and we do think that the current PIN-based solution is probably not the optimal solution; that there are alternatives out there, new mechanisms that are actually more secure. And, if we are selected into the pilot, we look forward to working with the USDA in exploring that further.

The CHAIRMAN. Mr. Lovelace, your thoughts on that?

Mr. LOVELACE. Yes, to your point, the PIN issue I think has been one of the primary reasons that getting SNAP online has moved slowly. And I know that one of the primary processors fell out of the program, and I think that caused a major delay. We had been talking to the USDA more than 2 years ago about trying to accept transactions online, and I know it was a payment processing issue was one of the primary concerns.

I think that the beauty of e-commerce is it is a database-driven technology so it allows for us to categorize our products. When people are purchasing online we filter our entire catalogue by different lifestyle preferences or different types of users. So we can completely filter the catalogue for somebody who is on SNAP and is making a SNAP purchase, in a way that only allows for funds to go to SNAP-approved products. And I think one of the challenges that exists in the current retail economy is that it is very hard to actually get reporting on aggregate purchasing behavior. Where are these funds going, how are they being used, it is like a black box. And yes, there is data, but it is actually very hard to get down in very granular reporting. And the beauty of using e-commerce is that it is so transparent. We provided real-time when we met with the USDA, we said, "Hey, we can give you a real-time API look into our database if you want, and we can provide transparency."

The CHAIRMAN. Sure. I appreciate that.

Mr. Beal, you mentioned your Double Up Program, and also evaluating, as Mr. Lovelace talked about, the purchasing patterns of the folks who were in your tests. Can you tell us how you fund your Double Up program? Does your own company do that, or do you partner with not-for-profits, how do you make everybody whole and still get the extra food for the recipients?

Mr. BEAL. Yes, thank you. Initially, during the pilot program, it was our understanding, at least we were told, that the program was funded by a philanthropist, and they wanted to demonstrate

that the program that was initially implemented in farmers' markets up in the State of Michigan could be replicated and expanded with greater access to consumers in retail grocery stores. That was in 2015.

In 2016, it is my understanding that some of our local partners, and about three of those partners are nonprofits, have applied for a grant, and apparently received a grant from the USDA to expand the program out. And that is my understanding for 2016, sir.

The CHAIRMAN. All right. And your evaluation on purchasing patterns for the folks who use your Double Up Food Bucks, you said that was in process. When do you think you will have that information?

Mr. BEAL. I would expect to have that done within the next couple of months. And contrary to what has been stated by some of the online retailers, we have the ability, if we needed to, to provide real-time reporting of SNAP purchasers' history down to the very item. We can replicate the entire receipt of any consumer, just like when you go into a Best Buy or Home Depot, retailers that I think all of you can relate to, they have all that purchase detail. So it is just a mass of data out there, but with the proper set-up, there is no problem reporting on any of that.

The CHAIRMAN. Well, thank you. Every Member wants to ask questions. And again, thank you all for being here.

Mr. Peterson, I recognize you for 5 minutes.

Mr. PETERSON. Thank you, Mr. Chairman.

I represent an area that is very large, rural, remote, and I don't know, this might be a good idea, but I think that everybody on the Committee and you guys should go to Ponemah, Minnesota, before we do this, because——

The CHAIRMAN. Is that part of the Chamber of Commerce pool and get everybody——

Mr. PETERSON. Well, it is on the Red Lake Reservation which is an Indian Reservation, which is 900,000[2] miles, and I think it is an hour and some to any grocery store, and you can't get there unless you are going there. And the road ends and it isn't the end of the world, but you can see it from there. Or you go to Grygla or Waskish or Funkley, in Mr. Nolan's district. Those folks are having trouble now accessing SNAP. Maybe this is a good idea, they will be able to, but they don't have Internet a lot of them either, and the stores up there don't have Internet. Who is going to pay for delivering this stuff out there? If they can use their SNAP benefits, and if somebody will pay for the delivery and we don't take it out of the SNAP money, it might be a good idea. If we are going to do some kind of a demonstration or pilot project, one of the areas should be some place like this, so we see what happens in that kind of a situation. Because I have a lot of those places in my district, and I think Mr. Nolan has in his district, and there are other places in the country as well. I am not even sure there are maybe two towns in my district where you can get delivered groceries. I am not even sure about that.

When they are doing these pilots, are they looking at having additional appropriations to pay for the delivery, or is there going to be no charge for the delivery, how is that all going to work? I don't know who wants to answer that.

Mr. LOVELACE. It is our understanding that we would be paying for the delivery, and our business model is set up to be able to do that. We are also leveraging existing last-mile infrastructure which makes it a lot more efficient for us. And we share your concern about those types of extremely rural communities. We did a program recently with the Sioux up in North Dakota where we delivered groceries to some of the most disadvantaged folks.

Mr. PETERSON. Whereabouts in North Dakota?

Mr. LOVELACE. I don't know exactly where it was, but I know it was on the Sioux Reservation. And, to your point, there are many times in the winter where groceries aren't even being delivered, and it is one of the highest rate of diabetes in the country.

Mr. PETERSON. Yes.

Mr. LOVELACE. I am not going to speak for Amazon, but we are prepared to be able to make a way to be able to absorb the shipping costs.

Mr. PETERSON. Are you going to undermine the few stores that we have out there if you take away their business?

Mr. LOVELACE. I think that is a fair concern. Our products are pretty different than the types of products that they would be offering, because we specialize in organic groceries, but I think that one of the things that we have seen is that while there is concern about existing retailers or health food stores with our model, because we are so disruptive with pricing. What we are seeing is that 50 percent of our customers are in the Midwest and the South, so we are bringing a new customer into the market that is wanting to do this.

And, to another point that you made, the data that we have seen is 70, 75 percent of low-income communities have a smartphone. And so while they may not have Internet, they are able to purchase using their smartphone.

Mr. PETERSON. If they can get cell service.

Mr. LOVELACE. Yes.

Mr. PETERSON. I mean my farm up north, I don't have cell service.

Mr. LOVELACE. Yes, you have to go to a local hill or something.

Mr. PETERSON. If you can help us get more cell phone towers, we would appreciate it.

Mr. LOVELACE. Yes. That is——

Mr. PETERSON. I mean it is a nice thing sometimes because nobody can get ahold of you.

How about Amazon, are you guys willing to eat the delivery fee, or how does that work?

Mr. FRENCH. Yes, sure. So right now, we deliver non-perishable groceries nationwide. So all the people in your areas have the ability to order non-perishable grocery products on Amazon right now. We offer perishable grocery products through our Amazon Fresh Service, which is available in a number of regions, including many of the states in which the USDA has proposed to run the pilot. In terms of the fees, we have a few different ways that customers can buy groceries on Amazon, some of which do require a membership fee or have delivery charges. The SNAP funds would definitely not go towards that. If accepted into the pilot, we are absolutely interested in working with the USDA on ways to structure an imple-

mentation of the pilot to reduce and potentially eliminate those membership fees or delivery charges.

Mr. PETERSON. Thank you. Thank you, Mr. Chairman. My time has expired.

The CHAIRMAN. The gentleman yields back.

Mr. Neugebauer, 5 minutes.

Mr. NEUGEBAUER. Thank you.

Mr. French, did you say that you have applied to be a part of the pilot program with the USDA?

Mr. FRENCH. Yes, we have applied.

Mr. NEUGEBAUER. And so I guess when you said what you are doing nationwide on non-perishable, and then you are doing regional for the perishable foods, are those regions primarily in major metropolitan areas at this particular point in time?

Mr. FRENCH. Yes. The Amazon Fresh Service, which is our service for delivering full-line grocery assortment, including perishable groceries, tends to be more concentrated in urban and suburban regions right now. Certainly, our intent over time would be to be able to service SNAP customers nationwide, with some combination of the various programs and services that we have for delivering grocery products on Amazon.

Mr. NEUGEBAUER. Would that be partnering with suppliers in those regions to cut down on the distance to the final customer?

Mr. FRENCH. Yes. It is tough for me to comment on the exact specifics of how we do it and what the implementation specifics would be until we are actually accepted into the pilot program. So, unfortunately, there is not much more I can share on that.

Mr. NEUGEBAUER. Mr. Beal, you said that the pilot incentive program has been successful. So when you talk to your customers who are SNAP recipients, what are the top reasons that they give you that they want to participate in this incentive? Why are they responding to that incentive? What do they say to you about that?

Mr. BEAL. I believe that we provided electronic copies so there will be more detail of the program report that was actually prepared by our five partners, but generally speaking, the participants reported that they were better able to afford healthier fruits and vegetables, that they shifted more of their purchasing from prepared foods, center store, be it cereals, the processed foods that a lot of consumers buy, towards fresh fruits and vegetables. You will see in the report too that they have shifted their purchasing habits, provided healthier eating options for their families as a result of this program.

Mr. NEUGEBAUER. Mr. Lovelace, you kind of got into the conversation a little bit about the technology of making sure that people that are actually the SNAP recipients are the ones receiving the food. I think both of you maybe alluded to the PIN technology may not be the answer to that. I was a little surprised at that because, I mean when these recipients are going into a grocery store today, they are using a PIN, and in many cases the grocer may or may not know whether that person using that card that has the PIN, is actually the person. First, what kind of downside is there to the PIN; and second, what is the technology that you would recommend?

Mr. LOVELACE. Yes. We are actually prepared to use a PIN infrastructure. We haven't specifically been pushing for that. Obviously, we believe in things being as efficient and secure as possible.

And to the earlier point, one of the main reasons that there has been a delay in bringing this on, even though it was mandated in the 2014 Farm Bill, is the issue of PINs and the balkanization of the processors and how that works.

My understanding is that there has been progress with the processors, and that there are going to be several states in the Northeast, especially in the first phase of the pilot, and that it will be a PIN-based technology approach, which we are comfortable implementing. From the beginning in our conversations with the USDA, we said we would be happy to absorb the technology costs associated with making those types of secure transactions work.

In a world where you don't use PINs you look at actual fraud amongst credit card transactions in terms of people that are using credit cards that aren't actually theirs, it is actually incredibly low. I think that there is a case to be made that it could be very much like a credit card transaction, where you don't use a PIN.

That said, we are not advocating for that specifically, and we would have to all study that together and find——

Mr. NEUGEBAUER. Well, I know the credit card industry is working on ways to prevent online fraud by using cards, and certainly that technology

Mr. LOVELACE. Yes. It is a real issue, but when you look at the total transaction size, it is still such a small part of it. But, we are not advocating necessarily to abandon PINs.

The CHAIRMAN. The gentleman's time has expired.

Mr. Scott, 5 minutes.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Chairman.

Let me direct this question to Mr. French and Mr. Lovelace. You are aware that there are efforts underway to restrict what SNAP recipients can purchase in the grocery store, such things as food monitoring, food surveillance, to determine that. And my concern is, and I want to see if it is your concern, that the expansion of SNAP to be used online could make it easier to restrict and limit the amount of food, the types of food, and purchases that are bought with SNAP dollars. How do you make sure that this is not happening?

Mr. LOVELACE. That is, obviously, a complex question, and I haven't honestly spent all that much time thinking about that particular aspect of it. I think you are hitting on privacy issues. I personally think it is a good thing that there is the ability to see transparently and accurately where funds are going, given it is a massive taxpayer program. At the end of the day, the approach to all of this has to be data-driven, so what are the types of products that people can use with SNAP that are actually going to be healthy for them, and my hope is that the data can transcend any ideological ideas around that.

Mr. DAVID SCOTT of Georgia. All right. Let me be more specific here. Let me go to you, Mr. French. How would Amazon ensure that all of the items, all the food purchases that a SNAP recipient can get in the grocery store are the same that he can get online, and that there are no efforts in between to use this online service

as a way to restrict the food stamp recipient from getting the same thing that he can get. Because it is almost impossible, and many have already said that with brick-and-mortar at the grocery store, you really can't restrict that. That is not my concern, we fought that battle, but online there could be a way that you can use that instrument to limit the ability of food purchases by food stamps. So what would Amazon put in place to make sure that doesn't happen?

Mr. FRENCH. Sure. Yes. It is difficult for me to comment on the exact specifics of how we would implement that, but what I can tell you is at Amazon, we are all about starting with the customer and working backwards, all about ensuring a great customer experience, and all about offering customers low prices, vast selection, and great convenience. And so we absolutely share the Committee's interest in offering SNAP recipients access to as wide a range of foods as possible, and to do anything counter to that would be counter to Amazon's intention to offer vast selection.

Mr. DAVID SCOTT of Georgia. Now, there is also a growing movement and they use this term, *healthy foods,* right, we fight that battle, that limit the items that the food stamp recipient can get only to healthy foods. And there is no definition for that, but that is another way. So what would Amazon's position be on limiting items that can be purchased with stamp benefits to only *healthy foods?*

Mr. FRENCH. Sure. Again, it is a little difficult to comment on the exact specifics of implementation until we are accepted in the pilot; but, what I can say is we absolutely believe in offering customers vast selection, offering them as many choices as possible, and in the case of SNAP recipients, offering them access to as broad a range of foods as possible to——

Mr. DAVID SCOTT of Georgia. Yes. Okay, thank you.

Ms. Melinda Hess, didn't you want to share a story of Yvonne Smith?

Ms. HESS. Yes.

Mr. DAVID SCOTT of Georgia. Let me ask you something, and you showed how drastically she changed her diet. This hits home with me because, in my State of Georgia, I have 1,121,495 people in my State of Georgia, adult population who have diabetes. That is 14.2 percent of the people. So I wanted to ask you how do we reach people effectively and give them the tools to change their life like Ms. Yvonne Smith did?

Ms. HESS. Yvonne is one of our SNAP customers, and if you all haven't read the longer testimony, she is 64 years old, she is a homeowner, because her housing costs are more than 50 percent of her income, she qualifies for SNAP. She gets $16 a month. With our bonus bucks, dollar-for-dollar, we double that to $32. She is able to access some other promotional programs for fruits and veggies, so she gets an additional $80 on top of that per month. And with this, she buys vast quantities of greens and salad greens. She cooks them up in giant batches and eats them all month. And what she told me this week is that she has brought her diabetes under control. She no longer suffers from it, by completely changing what she eats. She cut out all processed food, all starchy white

foods. She is a true believer, and she gave me permission to share her story.

Mr. DAVID SCOTT of Georgia. Thank you.

Ms. HESS. There is an old saying, which is pay the farmer or pay the doctor, and I promise you paying the farmer is way cheaper. So that is sort of the basis of our promotion of SNAP and the FINI incentive program.

You have to attack it from a couple of——

Mr. DAVID SCOTT of Georgia. I am sorry.

The CHAIRMAN. We will do a second round, your time has expired.

Ms. HESS. It is?

The CHAIRMAN. Yes.

Mr. Lucas, for 5 minutes.

Mr. LUCAS. Thank you, Mr. Chairman.

First, I would like to turn to Director Newport. Chickasaw Nation has historically been very innovative, very aggressive in trying things, but we have, in addition to the Chickasaw Nation, 37 other federally recognized Tribes in Oklahoma. Can you discuss for just a moment, I assume it is not just Chickasaws, but the other Tribes in the state too are trying, with the flexibility that they have been given at different times, to be more innovative, correct, in delivering services and meeting the needs?

Ms. NEWPORT. Yes, sir. Those opportunities are available to any Tribe, in most cases.

Mr. LUCAS. And to you knowledge, not just the Chickasaws, and you can't speak for anyone else, I realize, but the spirit of innovation of the Chickasaws is also out there in the other Tribes too. We are trying hard in Oklahoma to maximize these opportunities.

Ms. NEWPORT. Yes. I think there are unique innovations in different Tribes around the state that have tried different initiatives to better serve their clientele.

Mr. LUCAS. Mr. Beal, I live in the third District of Oklahoma, kind of the west side of the district, the southern part of the Great Plains, east of the Rockies, some really rather interesting climates. And when I look at the concept of the Double Up Food Bucks program to encourage the purchase of local produce, a lot of times where I live, seasonally, there are not many options locally. With this kind of a program, my neighbors would say if it works and it works well, and it is so impressive, should people who live in areas where there are not local produce options always, should there be a greater opportunity to use not just local but more local than that. And I am sure your folks have looked at these issues, correct?

Mr. BEAL. Well, we originally started our local produce program right after 2000, and while that may be the situation in Oklahoma, we would look to parts of the country that are both south of us and to the west of us as having greater growing opportunities than what we have in Missouri, just because of the weather is a great function of that. Our local produce program, for the most part, the majority of the items, 90 percent of the items, the season starts in mid-to-late May, continues throughout October. But we do have some local items that come in earlier that are—might be grown in greenhouses and the like. So it is something that you do have producers that are producing year-round, but with higher costs, that

have a different business model. But we have defined for ourselves our *local market* as being within 200 miles of Kansas City, and we work with over 150 local family farmers in that market.

Mr. LUCAS. Okay, you have answered my question about what *local* is then. Okay.

To Mr. French, kind of like Ranking Member Peterson, I do sort of live at the end of the world too. And, of course, my grandparents always referred to the catalogue houses, the entities in this country and commerce that existed before the Internet, the Sears and Roebucks of the world, and the Spiegels and the Montgomery Wards, who came into existence because of parcel post, and before the Postal department took a package delivery, if you lived out in the countryside, you didn't have many other options than the local merchant. But with the evolution of parcel post, the ability to deliver packages 125 years ago, you could buy almost anything from those giant catalogues, a point that has always been made to me.

Now, we have evolved to the present time, working on the quality of the transportation system, there are a number of private delivery companies who deliver in my area, and all over the world. Some are a little better than others at finding me. Some have a damn hard time finding me consistently. So I am sure in your market model, you are working with the delivery services to constantly improve that concept, right, so that my 5 pound can of whatever winds up within 5 miles of my house?

Mr. FRENCH. Yes, correct. We have worked very hard over the last 20 years to develop a reputation for world-class operational excellence, and that reputation encompasses a number of dimensions, including what you are articulating, which is the ability for customers to order an item on Amazon and have it arrive in the time period that they expect, and have it arrive safely. So yes, absolutely that is something that we take very seriously. And as we think about the opportunity to serve SNAP recipients, it is something that we would certainly be looking to extend to a new customer set.

Mr. LUCAS. Thank you, Mr. French. I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back.

Mr. McGovern, 5 minutes.

Mr. MCGOVERN. Well, thank you. And I want to thank all of you for being here today. It is important that we talk about new approaches that could be taken to improve access to food.

I am pleased that the USDA has begun the process of reviewing applications for the online purchase pilot, which was authorized in the last farm bill, and I look forward to continuing our work to make it possible for SNAP recipients to purchase groceries online. It is an important step forward.

It is also great to see FINI grants being put to good use to increase the consumption of fresh fruits and vegetables. Using a FINI grant, my home State of Massachusetts is in the process of expanding a pilot statewide to provide a dollar-for-dollar match on SNAP recipients' purchases of local fruits and vegetables. But, I have said in the past the most important thing we can do to improve access to nutritious food is to increase the current SNAP benefit, and provide low-income Americans with more money to purchase nutritious foods.

Now, Ms. Hess, your testimony makes a very strong point about the need for food to be affordable for those who are low-income. What do you think the impact could be on your farmers and on your customers if we simply increase the SNAP benefit overall, and what do you think would happen to your farmers and customers if we cut the SNAP benefit?

Ms. HESS. The impact would be profound, and we have an example here in D.C. that demonstrates it. The Produce Plus Program is a D.C. benefit for low-income people, $10 free fruits and vegetable voucher. And we have lines around the block, 90, 100 people waiting to get $10 in free fruits and vegetables every day at the mobile market when the program is going.

The base sales each year are about $22,000, but the Produce Plus sales are $77,000, and we turn people away all the time because we run out of vouchers. There is a massive demand for this stuff. And what people need are the resources to be able to access it.

The profound impact that increasing the amounts of affordable and ubiquitous healthy food could have on public health is staggering. Right? We are looking at $½ trillion that we are spending on treating diseases that we don't have to have, they are caused by the food that we eat. So if we change the food that everybody eats, and I am not just talking about low-income people, I am talking about all of us. What, 39 states, 40 percent of the people are overweight and obese. I am overweight. It is hard to eat healthy. And if you add on top of that the barriers to access, like you live 5 miles from a grocery store and you don't have a car, and you don't have any money at the end of the month after you have paid for your diabetes medication, I don't know how you would expect to change anything.

And here is what is so important about it. I know everybody is on different sides of this issue politically, but people can't parent well and raise happy, healthy children who are ready to learn, and you can't work well if you are hungry, if you are wondering where your next meal is coming from, or if you had to spend your lunch money taking a cab because you were late for work that morning. It is super frustrating to me that this fundamental thing that is the sort of basis of all human health is even a debate.

Mr. MCGOVERN. Right.

Ms. HESS. If you cut anything, it should not be peoples' food.

Mr. MCGOVERN. Yes. And I like your statement about pay the farmer or pay the doctor. One of the problems with the way we budget up here in Congress is that we all have our little areas of jurisdiction. And so your point about the fact that healthy, nutritious food actually is like medicine, it keeps us well, can prevent diabetes, which is a lifelong illness, it could prevent heart disease, it could prevent obesity. And so by doing this right, there are all these avoidable healthcare costs that you don't have to pay for. Kids who go to school, who are hungry, don't learn. There is a cost to that. Workers who go to work, who are hungry aren't as productive. There is a huge cost here, and sometimes we are looking at our little narrow area here, but the cost of hunger and food insecurity in this country is enormous.

I gather from your testimony that you believe that access to healthy food is much more important than teaching people about healthy food. Maybe you can tell me a little bit more about that.

Ms. HESS. Yes.

Mr. MCGOVERN. Not that the teaching help really was bad, I am just simply saying that we can teach all we want, but if you don't have access to it, so what.

Ms. HESS. What you said. Ideally, these things go hand in hand, and this answers also Mr. Scott's question. The first building block that you have to have is a lot of affordable, really high-quality food that people actually want to eat. The next step then is making sure that people know what to do with it and people get exposed to it. We do a lot of taste tests at the mobile market, we do cooking demos, we have a cookbook that we give to our low-income customers so that they are inspired to cook at home. But I have to tell you, just focusing on cooking skills is pretty shortsighted because you can give everybody all the skills they want, and even send them home with some knives and cutting boards, but if they don't have anything to cut, you haven't changed a thing.

One of my customers who is a Navy veteran and has a 3 year old, she turns off the gas in her house on the summers to save $30 so that she can continue to eat well, and she eats mostly raw fruits and vegetables through the summer.

So the chaos and the difficulty in being poor should not be underestimated, and it starts by making food affordable, high quality, and ubiquitous.

Mr. MCGOVERN. Right. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Mr. Gibbs, 5 minutes.

Mr. GIBBS. Well, thank you, Mr. Chairman. And you are right, this is a very interesting panel. Of all the hearings we have had on food stamps, it is—and I love it because the technology, and former Chairman Lucas was talking about as well as former Chairman Collin Peterson, about living at the end of the world. I can see Amazon delivering food to these areas by drone, so hopefully we can get FAA regulations so that it works.

But what I want to talk a little bit about is the technology part that interests me. A few months ago, we had the Auditor of the State of Ohio in to testify. He did an audit in Ohio and what was going on in the SNAP Program. And we found out there is some fraud. I don't think it is a widespread problem, but there is some, and so we tried to address it as best as we can. And we found out things like there were issues about some people had huge balances and weren't using it, so that was tying money up. We also discovered in one of our hearings that if we could go to crediting the cards twice a month instead of once a month, that might help the food recipients with their cash flow and budgeting.

My questions to Mr. French and Mr. Lovelace is, and I know Mr. Lovelace talked about the database, and that technology. The technology ought to help us in real-time catch instances where there could be fraud. And we have had testimony that some of the retailers can be fraudulent and we had testimony in his auditor's report where somebody had come in the 1st of the month and spent the exact amount of dollars, like $200, and then go 8 minutes later to

another retailer and spent another $200. Every month it is very odd. I can't go to the grocery store and spend the same amount to the penny every month. And so I guess you want to comment a little bit about the technology? Could you flag those in real time, just kind of like you can do with credit cards now. If I use my credit card and it doesn't look like my normal expenditures, I will get an e-mail from my credit card company asking if this is me, so can you? I don't know if you want to expand on that. Because you hear about technology, people get concerned maybe the possibility of more fraud, but it is the other way around. So go ahead.

Mr. FRENCH. Sure. Like I mentioned earlier, we absolutely share the Committee's focus and prioritization on preventing fraud in the SNAP Program. At Amazon we take customer trust and information security incredibly seriously. And so if given the opportunity to participate in the USDA's pilot program, we absolutely look forward to the opportunity to leveraging the same world-class engineering that we use across Amazon to protect information security to the SNAP Program on Amazon.

Tough to comment on some of the exact specifics and the specific areas you were mentioning, but it is absolutely——

Mr. GIBBS. Well, I want to ask you a question. A thought came to my mind. Because my understanding, the state runs the programs for the USDA, right? And so somebody in Ohio goes in and uses their SNAP card, and it looks weird, the state has to flag it, the question may be that the state is not doing their job. How would Amazon or your outfit interact with the databases, or maybe you want to talk about that?

Mr. LOVELACE. My understanding is the processors for SNAP are very much like a merchant account for a credit card. So there is this layer of merchant account processors that verify security, all their types of fraudulent flagging systems, which are real time. That is why sometimes when you make a purchase and you put the wrong address, just normally with a credit card, the transaction isn't approved. So there are all sorts of best practices that exist today that can be applied to the SNAP Program which will allow for a lot of security around that.

And to your point, obviously, there is understandable concern about fraudulent use and abuse, but I believe that there is going to be dramatically less of that, given the way that there is so much transparency and reporting using a database-driven technology, like e-commerce.

And, we looked at a study of a family in a food desert in downtown Los Angeles, for example, not people on SNAP but just in a food desert, and 90 percent of the grocery purchases are happening at a little bodega or liquor store, or a fast-food market. So what we are dealing with here is one of the beauties about being able to ship groceries nationally to people, be able to provide that, is that we can eliminate that in a very dramatic swoop.

Mr. GIBBS. Great. I think regulation, legislation needs to try to keep up with the technology, because we can actually make real improvements and serve people that really need the help.

So I yield back. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Ms. DelBene, 5 minutes.

Ms. DELBENE. Thank you, Mr. Chairman. And thanks to all of you for being with us today. I appreciate it. And I am very interested in this pilot and the possibilities that it can bring to make sure that we are providing healthier, fresh, local food to a broader population, and definitely folks who have been under-served.

You definitely can buy anything online, and there is no reason that that can't be true for SNAP participants as well, and we can learn a lot from CSAs that exist today that are providing some similar services. And definitely bringing these types of foods to more rural, traditional food deserts is certainly worth exploring, and so I appreciate the work that you are doing.

I had a question for you, Mr. French. And thank you for being here today from Seattle. I read in your testimony, and I know you mentioned this in your opening statement, that you believe the PIN-based technology being used for SNAP EBT is not necessarily more secure than other available technologies. And so I was wondering wouldn't that change in the authentication method mean we would have to revamp the systems that are currently being used by the states?

Mr. FRENCH. I am actually probably not the best person to go into that in a ton of detail. It is a good question, but let us follow up with you on that. It is a good question.

Ms. DELBENE. And is that something that generally would be supported in terms of the change of how that system would work——

Mr. FRENCH. I am sorry, can you say it again?

Ms. DELBENE.—by others? Well, I was kind of asking others if folks thought the PIN-based technology or changing that to something that is more universal would be something that is important to others. Does anyone have a——

Mr. LOVELACE. Yes, so the delay in bringing SNAP online has been the processors and the ability to do the PIN-based transactions online. That is what our understanding is, in the communications with USDA officials over the last 2 years.

We transparently haven't heard a lot of discussion about moving away from the PIN system, but rather, the focus has been how do we make sure that there are processors in place that can handle the PIN-based system online, in a way that people like us can interact with in a real-time way. So there hasn't been a lot of discussion from our conversations with USDA about moving away from a PIN-based system.

We are not necessarily saying that we shouldn't move to more standard-based credit card transaction processes, but, our approach to it has been we are totally willing to absorb and build a special user interface just to support PIN-based transactions.

Ms. DELBENE. Yes. Okay, thank you. Okay, did anyone else want to say something? I couldn't tell. Go ahead.

Mr. BEAL. If I could inject just a thought, and we are a brick-and-mortar retailer, but I would say with regard to PIN-based transactions, I know from our business, which is regular business with credit cards, our amount of fraud has increased by about 12 times, and I have also shared those concerns with other grocers, a large grocer out of St. Louis, because we do not have PIN-based transactions now on general credit cards. EMV card, and I know

we are getting off subject, but with dealing with security with credit card transactions, the lack of a PIN-based system for credit cards has greatly increased our fraud in a brick-and-mortar store. So it is hard for me to envision as a grocer how it would be more secure without something like that, as just an anecdotal response.

Ms. DELBENE. Thank you.

Ms. HESS. If I may. Farmers' markets are really hobbled by the need to have that, it is the MarketLink, it is a PIN-based program. They cost about $500 each, and so typically, a farmers' market will have one, and anyone who is using SNAP goes to the market manager, they run their SNAP cards, they get tokens, they go to the farmers. There are a lot of problems with that program. If we can handle the security issues and get it so we can run EBT cards directly off of a Square, or a similar card reader, that really just opens up farmers' markets to a lot more SNAP transactions and a lot more healthy food for a lot of people, and it saves market managers a lot of trouble and cost. I spend about $100 a month just on my data fee for the MarketLink.

Ms. DELBENE. Yes. Okay, thank you.

And I know folks talked a little bit about cell service, but I also think broadband access, WiFi access can be very difficult for many folks in rural areas, or folks who don't have a reliable online connection anywhere, or even technology available. Do you have a sense of how much that would impact access for potential SNAP recipients who may want to use these types of services, but don't regularly have any type of connection to do so?

Mr. LOVELACE. The data we have looked at is that 75 percent of low-income communities do have a smartphone. Obviously, that is not perfect, but that is pretty profound. Whereas, broadband Internet access or desktop computers have dramatically lower rates. So while I believe in getting broadband infrastructure to everybody, the practical realities and the time to market is so dramatically more expensive than it is to increase high-speed smartphone, cell phone access.

Ms. DELBENE. Yes.

Mr. LOVELACE. So in terms of solving that problem, not only for this issue, but just broader educational access issues, the fastest way is going to be Third World developing countries who just skipped the hard infrastructure and have gone straight to cellphone. So I think that that is the fastest way for us to solve this problem ubiquitously.

Ms. DELBENE. Yes. Okay, thank you. My time has expired. I yield back, Mr. Chairman.

Mr. CRAWFORD [presiding.] Thank you. I recognize myself for 5 minutes.

Mr. Beal raised a topic that we probably don't have enough time to talk about in the 5 minutes that I have to address this, but I want to start a conversation about brick-and-mortar stores and how they differ from the online vendors. What role might you play in enhancing access? For example, in my district, it is very rural, we have, obviously, small towns, but even remote areas I would classify not just rural but remote. And so a scenario, for example, a town of 3,000, they have a grocery store, but around that town of 3,000, 15–20 miles away or more, small towns, a town of 300,

and the best they can hope for is a convenience store. And so as a grocer that occupies that space in the small town of 3,000, could you become a distributor? Does it fit your model to go out to those small towns in a refrigerated truck and be able to deliver non-processed foods? Because as we have heard, and I know this to be the case, our healthcare statistics are on an upward trajectory in rural America. And the irony is that, in my district, for example, we are one of the most productive agriculturally in the nation, and yet we are in a food desert. And it has to do with access to non-processed food.

So if you would, kind of go into some detail about how you might be able to fit in that role to sort of serve as a distributor.

Mr. BEAL. Thank you. I will tell you that we are currently doing that today.

Mr. CRAWFORD. Good.

Mr. BEAL. We supply our local produce to other grocers around the Midwest, not just the Kansas City area. We sell local produce to grocers in Springfield, Missouri, 3 hours away, about 200 miles. We sell local produce to grocers up in Nebraska, over 3 hours away. And so it is a very good question, and for us particularly, it wouldn't be a challenge because we are currently doing that, and we see ourselves in that role. We distribute to our stores and to other stores over $5 million worth of locally grown produce every single year, and it is growing.

I mentioned in my presentation that the distribution system is critical, and in visiting with Ms. Hess, on the panel, that was one of the questions I asked her before we started. But that distribution system is important, but we are set up to do that. And so it does provide a very important role in the distribution of these benefits to other potential markets.

Mr. CRAWFORD. Well, one of the benefits I get from being on the latter end of the questioning is some of the dialogue that has taken place up to this point. Mr. Peterson mentioned this, in the remote areas, and obviously, we have talked about Internet access, broadband being an issue in rural communities, and, Mr. Lovelace, you addressed that with regard to enhanced cell phone infrastructure. And one of the things that Mr. Lucas addressed was the seasonality associated with those fresh foods is also a challenge. Grocers are in a unique position to address that, as you mentioned, using greenhouses and sourcing beyond just the local region. How does that play into your distribution model?

Mr. BEAL. Well, we currently purchase produce from around the country. Okay, so we will bring in produce using common carriers from California, from Arizona, New Mexico, Georgia, and Florida, and obviously, that isn't local produce to us, but we source specialty products for our stores to make them a class above our competition. That is kind of one of the things that we try to do. But, having a facility to be able to do that, having trucks to distribute is critical. We are not our primary supplier to our stores for our groceries, our center store, because we have a wholesaler to do that, but what we have found in working with our wholesaler, who is in excess of a $10 billion company, I know that is peanuts when it comes to the Amazons of the world, but what we have learned, it is oftentimes more difficult the bigger the entity is to source from

local because, first, the local provider can't provide enough product for the big boys to service all of their customer needs. And so there has to be kind of matching of the growers with the markets that they serve to make it as efficient as possible.

Walmart would have a very difficult time of providing local produce, because there are only slots in a warehouse that are available for perishable products, because they have to be refrigerated and stuff. Not to say they can't do it, but the challenge is a little bit greater. It is for our wholesaler, because they have tried to roll out a program. And that is where we fit into that role much more uniquely than what they are able to.

Mr. CRAWFORD. Real quick, I have 20 seconds. Were there any tax incentives that facilitated that decision for you to implement that model, or was it just something, a naturally occurring business phenomenon?

Mr. BEAL. No, there were no tax incentives. It was consistent with our model of focusing on fresh and local, and working with our local farmers and ranchers. As I mentioned, we had been working with them for over 15 years to start with, so it was a natural transition and expansion of the program for that.

Mr. CRAWFORD. Thank you. I appreciate it. My time has expired.

I recognize Ms. Adams for 5 minutes.

Ms. ADAMS. Thank you, Mr. Chairman. And thank you to all of our panelists for being here today and for your insight.

Many communities throughout the 12th District in North Carolina that I represent are located in food deserts, resulting in many of my constituents not being able to purchase a variety of fresh and nutritious foods from a local grocery store. I did want to just add that just a week and a half ago we opened in my district, in a food desert, the Renaissance Co-op, which is now owned and operated by the community. It is very, very successful. For 18 years, we did not have a grocery store there. It was an abandoned strip shopping center. It has all been renovated, and it is a great project, great fruits and vegetables there. As a matter of fact, last week I shopped there myself. But that is one example of what can happen.

But for those who are able to afford a smartphone or Internet access, online purchasing of food using SNAP benefits does have the potential to offset some of the negative consequences of not having a grocery store in a neighborhood. I do look forward to USDA's progress in the pilot program. I hope the Department and food retailers will continue to develop new ways to reach customers in under-served communities, such as many that I have in North Carolina. As a matter of fact, in Charlotte, which is the area that I am going to be representing coming January, we have interest and some concerns about many of the food deserts there.

But, as we conclude our 18th hearing, or 16th, whatever it has been, on the SNAP Program, I would also like to take a moment to remind Members that the SNAP Program can only be as effective as how much we choose to fund it. So that is really important. Any new requirements to increase financial incentives for purchasing fresh foods or to expand the assistance and finding a job-training program must be paid for, and not become unfunded mandates on state and county governments, because they are having difficulties as well.

My first question, Mr. Lovelace, how can retailers reach SNAP participants that do not have a smartphone or Internet access? Are you looking at telephone as maybe a possibility?

Mr. LOVELACE. Yes, it is a good question. Honestly, I don't have a good answer for it. We are actively working with, and communicating with, cell phone providers and broadband cable providers to piggyback on programs that they have targeting low-income communities that don't have Internet access. So that is something that we spend time doing out of our Giving department. And beyond that, I don't have a better response to your question.

Ms. ADAMS. Thank you very much. Mr. Beal, the cost of produce has been identified as a major barrier for improving access to fresh fruits and vegetables, particularly in the 12th District in Charlotte that I represent. How has partnering with other public and private entities enabled your stores in Kansas City to be able to pay for the in-store credit or earnings that a SNAP participant gains each time they buy produce through the Double Up Food Bucks Program?

Mr. BEAL. Well, the program, and the first year of the pilot year was funded by an outside third-party philanthropist. That was 2015. And working with our local partners, three of whom are nonprofit entities, they applied for a grant from the USDA to expand the pilot program to all of our 14 Price Chopper stores that we own in 2016. So we pay market price for our local produce to our local farmers because they deserve a fair price, and so it is on part with what we would be paying for produce from our wholesaler anywhere else that we would obtain the product. But the funding mechanism for the program is in part through a USDA grant that one of our local partners has provided for 2016.

Ms. ADAMS. Thank you.

Mr. French, have you been in conversations with USDA about effective applications for online payment transactions or other elements that should be included in any application that is developed to interface between the food retailer, USDA, for processing these SNAP purchases online?

Mr. FRENCH. Sure. We have been in active discussions with the USDA for some time now. They have been a great partner throughout this process. We appreciate the rigorous and thoughtful approach they are taking to the pilot program. It is obviously quite complex, and so we appreciate, again, the thoughtful approach they are taking.

The PIN-based solution, as we have talked about a couple of times now, again, our perspective is we share the focus and prioritization on preventing fraud in the SNAP Program, but we think there are new technologies that are superior to PIN-based solutions for doing so.

Ms. ADAMS. Thank you. I am out of time, Mr. Chairman. Thank you. I yield back.

The CHAIRMAN [presiding.] The gentlelady yields back.

Mr. Allen, 5 minutes.

Mr. ALLEN. Thank you, Mr. Chairman. And thank you all for being here today and sharing this information.

One of the previous hearings, I believe with the representatives from USDA about fraud, I suggested something like a picture ID

EBT card, and the response was, well, that is too expensive. As we address fraud, as far as the PIN numbers, I mean is that the same kind of pushback you are getting is that, hey, that is cost-prohibitive, yet how do we actually control this fraud? I mean what do you think is holding up this whole process as far as fraud and abuse goes?

Mr. LOVELACE. Are you talking about just credit card transactions in general?

Mr. ALLEN. Yes, and the PIN numbers and that. I mean what is the real push? Is that the folks who distribute—well, USDA distributes the EBT cards, so why can't we do a PIN number system, I guess is what——

Mr. LOVELACE. I mean we are going to do a PIN system.

Mr. ALLEN. Okay.

Mr. LOVELACE. That is how it is going to go down for the first pilot, for sure.

Mr. ALLEN. Right.

Mr. LOVELACE. It is a PIN-based system. And the reason why the implementation to get SNAP online was delayed in the first place was that the processors that typically handle these transactions for SNAP, one of the major processors pulled out of the SNAP Program altogether.

Mr. ALLEN. Okay.

Mr. LOVELACE. So that caused a huge delay. But everything that I understand from our conversation about integrating with SNAP to be able to accept transactions online has been around using the existing PIN-based program online.

Mr. ALLEN. Okay.

Mr. LOVELACE. Again, we are not against other more efficient processes, but we haven't been pushing for that. Knowing how controversial the program and where the concerns are, our goal is to be as frictionless as possible, and try to just make the existing system as improved as possible.

Mr. ALLEN. Yes. Where we have these food deserts, for example, and this is a problem we have to address, and you are talking about addressing it with online and then, of course, deliveries. Have we looked at working through not-for-profit food distribution? Mr. Beal, you talked a little bit about that, but in every community there probably has to be a food bank or something that you could distribute through, that is not-for-profit, that would reduce the cost of shipping and all these other things that might add onto the cost of providing for this program? Yes, sir.

Mr. BEAL. If you don't mind if I answer that, but we currently do provide produce to a couple of nonprofit entities, one of which specifically addresses the needs of the food desert community in downtown Kansas City, with local produce. And so we work with a couple of different entities towards that end.

Mr. ALLEN. Yes. Would that be a possibility as far as online is concerned? In other words, you would get the order online and then you would have a local not-for-profit, you could say, "Okay, this is what we have."

Mr. LOVELACE. Yes, we do that currently.

Mr. ALLEN. You do? Okay.

Mr. LOVELACE. Yes. We did a program with a church community group in Flint where we have been donating groceries. So it is something that we think about. We raised money last holiday season for two million meals with Feeding America and their local food bank. We work with over 150 national nonprofits, and it is something that we are very focused on.

Mr. ALLEN. Good.

Mr. LOVELACE. And there is a lot of great work being done by brick-and-mortar and nonprofits on the ground, and so our goal is to be good partners to that.

Mr. ALLEN. Yes. Is Amazon doing the same thing?

Mr. FRENCH. So we are constantly inventing on behalf of customers. That extends to the various delivery methods we have for delivering products to customers, our extended delivery service through our Amazon Fresh Program, and our Amazon Lockers Program are both examples of where we have innovated in the delivery method for how we get products to customers. If we are accepted to participate in the pilot, we absolutely would look forward to engage with the USDA on other ways that we could innovate and invent on behalf of customers and SNAP recipients, in particular.

Mr. ALLEN. Okay. And the biggest complaint that I get from my constituents is the nutrition issue. When you are in a checkout line and people say, "My goodness, what is going on here." If you can conquer that issue, it will make this program—we know diabetes, we know these things are costing the healthcare system. Yes?

Ms. NEWPORT. I was just going to share that our initiative addresses a couple of the things that you are saying. One being that we actually devise a choice of food packages, and all of the foods are nutrient-dense. And then we also, in partnership with Feed the Children, are able to offer this benefit monthly at approximately ⅓ to ½ of the cost of buying it in the retail market.

Mr. ALLEN. Okay. Well, thank you. And please keep working on that.

I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Costa, 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman, and Members of the Committee. I apologize for not being able to participate in this hearing this morning, but I have had a hearing with Natural Resources occurring at the same time. But I do want to make a statement with regards to the many issues that have been raised as it relates to the SNAP Program, and the many hearings that this Committee and Subcommittee have held over the last year.

Clearly, we have set the table as we prepare in the next Congress to look at the reauthorization of the farm bill, and the SNAP Program is an important part of the reauthorization of the farm bill. And I do have concerns about what policy decisions we will make. Certainly, we can look at efforts to improve the SNAP Program, and I would be willing to participate in that effort, but I would reject a proposal in the next farm bill to dramatically cut the SNAP Program. My district is struggling, and cuts to the program would be devastating and directly equate to taking food out of the mouths of children and families in my district.

It is a bit of an irony in contrast that I have significant wealth in my district and significant poverty, and we happen to be an area where we grow so much of the food; ½ the nation's fruits and vegetables, but yet notwithstanding that agricultural productivity, too often the food doesn't get to the place that it needs to be. The SNAP Program is an important bridge of that effort.

The Bureau of Labor Statistics has indicated that we have twice the unemployment levels of other parts of the country. As it stands now, I have over 50,000, 50,000, think about that, households in my district that receive benefits. Seventy-nine percent of those households have a child under the age of 18; 15 percent have one or more person that are 60 years or older. This is just the facts. And, of course, the drought conditions that we have had for the last 6 years in the San Joaquin Valley, in which we have gotten zero water allocation for a host of years, has further compounded the problems that are being faced where you have people who have no jobs because fields are unplanted, and jobs are, therefore, at a premium.

So clearly, taking away food from people who need it is not a solution toward any improvements or efforts to deal with the SNAP Program in the next farm bill.

One of those areas that we had testimony here in the Committee this year, is a way in which we can deal with, and that is the Fresno Bridge Academy. It is one of several programs around the country that is asking to take advantage of the SNAP Employment and Training pilot program to reduce dependency. Well, how do we reduce dependency? That is an important goal. In this program, under the Bridge Academy, we saw 77 percent of the participating SNAP clients come in unemployed that were underemployed, but 18 months later after they were part of this program, 83 percent of the clients had obtained employment or job advancement, and 32 percent had achieved complete self-reliance. So it is these kinds of efforts that I think we need to work on to develop and innovate across the country. The Fresno Bridge Academy is designed specifically to truly help people move to independence.

And, notwithstanding the divide that we have in our country today, one thing every Member on this Committee can agree upon is that we want to make it more effective for people to be able to become self-sufficient and to feed their families. And, we can look forward to working together in the next Congress, as we reauthorize the next farm bill, on how we can bring together good bipartisan solutions that will do just that.

So, Mr. Chairman, I thank you, and I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back.

Mr. Thompson, 5 minutes.

Mr. THOMPSON. Thank you, Chairman. Thanks to all the witnesses for being here.

I am going to start with Ms. Newport. Has there been any problem with product delivery, particularly in terms of freshness of the items delivered?

Ms. NEWPORT. The items that are delivered are actually shelf-stable, for the most part, and so we have not had too many problems with the delivery, and we made adjustments where we needed

to. Sometimes the address is a challenge, but for the most part, the foods are shelf-stable and so that has worked out well.

Mr. THOMPSON. Very good.

Mr. Beal, would this sort of program that you referred to be successful in retailers with significant use of self-checkout systems?

Mr. BEAL. Yes, sir. The self-checkout systems can be programmed to provide a message to the consumer of both the Double Up Bucks earnings that that consumer has on that shopping trip, as well as what they have available to use on a subsequent shopping trip that would allow them to use some or all of that. There wouldn't be a problem with that.

Mr. THOMPSON. All right.

Mr. Lovelace, how do you define *low-income individuals* in your organization, and if the utilization of the online space for SNAP recipients moves forward, how do you plan to handle the membership fee that comes with the Thrive models, since, in regulation, you really can't treat SNAP recipients different than other customers?

Mr. LOVELACE. We have talked about that with the USDA extensively, and for every paid membership, we give away a membership to a low-income family; a veteran, a teacher, a student. So we are comfortable waiving the membership fee for all SNAP participants across the board, and that is something that we have discussed and doesn't seem to be a problematic issue in terms of implementation of the program. And, the way that we think about poverty levels is anybody who is double the poverty level qualifies for our low-income program. These are families across the country, they are veterans, they are teachers and students, and they apply directly through us and/or through a network of nonprofits that we work with.

Mr. THOMPSON. Okay, very good. USDA has obviously, well, I don't want to assume, that is a dangerous thing to do, but they have indicated to your organization that they would be satisfied with waiving that fee?

Mr. LOVELACE. Yes.

Mr. THOMPSON. Okay.

Mr. LOVELACE. Yes, there is, obviously, that provision is in there for making sure that people aren't discriminated against, and obviously, we think that is a good thing, but in this case, this is something that they understood and was not a problem for them.

Mr. THOMPSON. Okay, very good.

Mr. French, how long does it take to have food delivered from these programs, and does it take longer to deliver to rural areas than it does urban, and is there a freshness concern when delivering to rural areas?

Mr. FRENCH. Sure. We have a variety of different programs and formats that we use to deliver grocery products to customers. Like I mentioned earlier, we deliver non-perishable groceries to customers nationwide, and then through our Amazon Fresh service we deliver full-line grocery store, but including perishable items, in a number of regions throughout the country.

Across those different programs and formats, we do have different value propositions with different shipping speeds as well. The Amazon Fresh service in particular does offer same-day and next-day delivery of grocery products, which is obviously an impor-

tant part of ensuring that the products arrive to the customers without freshness being an issue.

Mr. THOMPSON. I may have my partners mixed up. Does Amazon work with the U.S. Postal Service in terms of some of the—like 6 day delivery? Is that a part of the process that you use for delivery? Well, not 6 day, but 7 day, actually. I saw one of the Postal trucks on Sunday in one of my neighborhoods, and I assumed that they were probably delivering for Amazon or someone like that.

Mr. FRENCH. Sure. Yes, we work with a number of different delivery providers, including the USPS.

Mr. THOMPSON. Okay, very good.

And, Ms. Hess. Ms. Hess, you work to change the eating habits of individuals. Is there an educational component to the mobile market model, and if so, can you walk us through what that looks like?

Ms. HESS. Sure, thank you. We do cooking demonstrations, we do taste tests, we do some cooking classes with community groups as the opportunities come up, but again, if you don't have that in lockstep with increased access and affordable food, and really high-quality offerings and great customer service, you don't get to change much.

We also teach little kids on our farm about healthy eating and the origins of healthy food. And we find that they go home and tell their parents, who then come out to the mobile market.

Mr. THOMPSON. Very good. Seems like the younger you get them, the better.

Ms. HESS. I think it is. And I just want to say one thing, as you guys look at SNAP, going forward, to cut it is sort of the very definition of penny wise and pound foolish. It is going to cost us all in the end.

Mr. THOMPSON. Okay, thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Ms. Lujan Grisham.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman.

And, Ms. Hess, I couldn't agree with you more, and while we are having this hearing, and I appreciate the Chairman continuing to have SNAP hearings in the Committee, finding the balances so that we are innovative and thinking about ways, particularly, to garner better access, not just to food in general but healthy food that has the educational components and choice in areas where we have significant food deserts.

Ms. Newport, like Oklahoma, New Mexico is incredibly rural, incredibly challenged currently in their getting hungry families fed. We still have the hungriest families in the country. Our children, when I first was elected, were the hungriest children in the country. We have done a little bit better. But interestingly enough, you are at 25 percent, we are at 27 percent of our children are hungry, and right now USDA is investigating the state for SNAP fraud. And when we are talking about fraud, we want to make sure beneficiaries and families, individuals in the community aren't doing things—and providers and contractors, that here I have a state that is falsifying records to deny access to some of the hungriest families in the country. All right?

Striking these balances are very important, and making sure that we don't end up in an environment where we just create more hunger, and create newer generations of unhealthy populations, that makes no sense to me, when we have a benefit and a policy that could really make a difference.

Ms. Newport, what would you suggest for a state like mine to create the infrastructure for programs like Packed Promise that would get us to the rural delivery aspects, better choices, and get us started in an environment where we are embracing the benefits of a SNAP investment to feeding hungry families, and to creating educated consumers for the future?

Ms. NEWPORT. Well, certainly, looking for opportunities to at least pilot some of those concepts and see where they are successful, and have a rigorous evaluation so that we really know what is worth doing, and we are not spending time on something that is not effective. I think also just keeping the conversations going. I look forward to talking with folks like Amazon and others who are sending out fresh products and doing it effectively to these areas that we both know are so remote, and have so little to pick from. We just keep pressing forward with examples of how to do it, and showing where it works best.

Ms. LUJAN GRISHAM. I would be happy to have anybody else on the panel respond. I appreciate some of the questions about what kind of options, choices, are we really getting fresh produce, because some of the programs that are widely available in a market, and how we are seeing studies that if you hire a dietician or a nutritionist, actually folks are spending much more wisely, particularly with SNAP benefits, in these communities, but also coming back and following through with preparing healthy means. And we are seeing an increase in spending overall in markets that do this, outside of the SNAP beneficiaries. But in rural areas, you don't have those kinds of markets. We have a lot of local farmers that are looking for ways, and they are already getting lots of support from USDA, but creating this infrastructure where all of these ideas coalesce in a way that is meaningful. Are there other things that we ought to be doing in New Mexico?

Ms. HESS. If I may, there is a real need in this nation for strengthening the regional food systems, and instead of relying on people, which I love, but people flying food in from all over. People should be eating more and more locally. It is an important issue on the terms of national security as well. All it will take is one typhoon or one dirty bomb in the Port of LA to shut down our food system for a week or longer. And so it is important that localities now are building regional food systems that can support the food needs of people immediately around them.

Ms. LUJAN GRISHAM. Okay.

Yes, sir?

Mr. BEAL. I would submit that the model that we have put together, working with our partners in the Kansas City metro area, fulfills a lot of what you have requested.

One of the partners is the University of Kansas Medical Center, and so they provide dietary training to SNAP recipients on the Kansas side of the line, because Kansas is willing to work with them. Missouri wasn't willing to work with them, wasn't willing to

submit to those individual SNAP customers notification about the program and stuff. We also work with the Health Foundation of Greater Kansas City, another nonprofit.

They are providing healthier eating choices and education for those consumers, along with our dieticians that we have in our stores.

Ms. LUJAN GRISHAM. Thank you. My time is up. I just think these balances are incredibly important to recognize in this Committee. Thank you.

The CHAIRMAN. The gentlelady's time has expired.

Mr. LaMalfa, 5 minutes.

Mr. LAMALFA. Well, thank you, Mr. Chairman. I apologize for my tardiness with competing committees here. So thank you to the panel for coming.

I agree the online retail and delivery system has great potential. I hearken back to when milk was delivered to your doorstep back in the day, I actually thought it was weird to go to the store to buy milk. As a farmer, we go through that thing where people think food comes from the store. I always thought milk came from the back step. So I know better. That is dairy.

But the platforms actually the USDA is being urged to look into, I am concerned with Thrive, for example. This is for Mr. Lovelace. You do have a whole page dedicated to being non-GMO, okay, that Thrive is passionately committed to creating a world that is free of GMOs. Okay. It is a controversial subject, I get it, but much potential around the world for helping with hunger on greater yields, *et cetera,* less chemical use. Much of what comes from these websites is non-perishable foods, so we are not going to see as much fresh fruit, fresh vegetables, and deemed as the most nutritious, with packaged items, *et cetera.* I guess where I might run up with a bit of a problem is that when we are talking just straight nutrition, that it isn't solidly proven that organic or non-GMO is more nutritious. It might be grown in a way that is more acceptable to folks, in some fashion there, but we do know that there is much more cost with that. So making our dollars go as far as possible, giving consumers the choices on price, whether they are concerned or not with something being GMO, we might harm ourselves a little bit if we are going to go only down that path. So if you would comment on that, Mr. Lovelace, a little bit, and how does your outfit decide the food that you categorize as SNAP-approved, and then the affordability of it, going forward, how do you arrive at that, please?

Mr. LOVELACE. Sure. I first acknowledge that the GMO debate is a controversial one. And we are not explicitly against GMOs. I think that there is a lot of competing data and it is very early in the process. I think one of the——

Mr. LAMALFA. If I may, if a webpage does, indeed, say passionately committed to creating a world free of GMOs that is——

Mr. LOVELACE. Yes. We are committed to being seen as a place where you know when you buy food it doesn't have GMOs. And the challenge that I have personally with GMOs today is——

Mr. LAMALFA. Well, your company would be free of GMOs? It says here a world free of it.

Mr. LOVELACE. The problem that I have with GMOs is that they are being sprayed with massive amounts of glyphosate, which studies are showing are coming into—90 percent of Americans are testing positive for glyphosate poisoning. So it is a very complex issue. I think there are opportunities where GMOs can be producing higher-yield foods with lower water.

Mr. LAMALFA. Say that again please. The GMOs being sprayed with——

Mr. LOVELACE. With glyphosate. It is 90——

Mr. LAMALFA. That doesn't define a *GMO*. A GMO is genetically modified in the field.

Mr. LOVELACE. Yes.

Mr. LAMALFA. What you do to it after it comes from the field is something——

Mr. LOVELACE. Yes, so the food crops are being engineered to withstand glyphosate, which is an herbicide, and so that enters into the food stream, and 90 percent of Americans are testing positive for glyphosate.

There is all sorts of early data. We feel like it is too early to be able to say definitively that it is safe to have GMOs in the food supply. That is our position on it.

Mr. LAMALFA. So how do you decide what is going to be categorized as a SNAP-approved food within your——

Mr. LOVELACE. I mean there are very strict guidelines for what those are. And so we look very carefully at the USDA recommendations on that, and every category of product that is——

Mr. LAMALFA. So you align with USDA regs?

Mr. LOVELACE. It is absolutely aligned with the USDA regs. There is no——

Mr. LAMALFA. And how about affordability?

Mr. LOVELACE. Say again.

Mr. LAMALFA. How do you do things in an affordable way? Keep the food as affordable as possible as well as——

Mr. LOVELACE. Well, we buy directly from the brands. We cut out all the distributors, all the retail markup, and all the shelf games that happen in the traditional retail model.

Mr. LAMALFA. Okay, thank you. I have to jump around with the limited time here.

Ms. Hess, it was mentioned you have developed an app that allows you to track what people have purchased at the mobile market there. So just real quickly on this technology, why is tracking this information, do you think, is useful? Is it a little bit intrusive?

Ms. HESS. Yes. It is not intrusive because we are not tracking it to individuals, but what we get to see are the purchasing patterns that people have, and then we get to see what actually works in increasing the amount of healthy food that people take home with them. So if we do a kale cooking demo 1 week, we can track whether or not our kale sales shot up that week at that location, and were they sustained at that location. So it is a great way to tell—you can't change what you can't measure, so we are measuring what we are doing and——

Mr. LAMALFA. So not just the 1 week or 2 on kale, but maybe a long-term——

Ms. HESS. Right. Right. Ideally, that is what you come out with, right, because if everybody is eating more kale, then we will see some health benefits from that.

Mr. LAMALFA. Thank you. I had better yield back. Thank you.

The CHAIRMAN. The gentleman's time has expired.

I want to thank our five witnesses this morning for being with us. Your written testimony and more extensive information is available. Thank you for what you are doing on your own to try to solve this issue. It is a wide-ranging issue, from food waste to affordability, misinformation about what is and isn't in the food, all those kind of things out there. Some of my colleagues have argued passionately about what they won't agree to this next year. This series of hearings was done in an attempt simply to find out what is working and what is not working. It was never intended to cut SNAP or to do anything to it but improve it. And if we can get the policies right, then we will figure out whether or not we can afford them. But getting the policies right is really the goal of these past 2 years. My team will put together an extensive report on these hearings to be able to further the discussion as we move toward the legislative part of what our work is about. And we appreciate your help. If there is any additional information that you want to provide? Yes, sir. Yes, sir.

Mr. DAVID SCOTT of Georgia. I just want to thank you, Mr. Chairman, for these series of hearings, because this is a very, very, very, very important subject that this Committee grapples with. And it took a lot of leadership for you to do this. It has brought a lot of information and education about this issue. The one area that really points this out, and just for the record so you can understand the significance and the greatness of what you have done, is in this latest statistic from the Center on Budget and Policy Priorities that says, 1.7 million struggling veterans are now using food stamps. In addition, more than ¼ of recent veterans reported service-connected disabilities, which has made it harder for our veterans to provide for their families. And households with a veteran who has a disability that prevents him or her from working are twice as likely to not have access to adequate food. That alone, Mr. Chairman, gives great significance of what you have done, because you have uncovered some things of which this nation has been only dimly aware. And I want to thank you for that, and the nation thanks you for that.

The CHAIRMAN. Right. Thank you, Mr. Scott. I appreciate that. That has not been a universal position with respect to many on the Committee, as the number of hearings we have had——

Mr. DAVID SCOTT of Georgia. Well, that is why I wanted to let you know.

You deserve the recognition, because I know it has been a tough grind for you, but the nation appreciates it.

The CHAIRMAN. Well, thank you, I appreciate that.

Our Chairwoman and Ranking Member on the Subcommittee, Mrs. Walorski and Mr. McGovern, have been an integral part of all of that as well. And so, again, I appreciate it.

Under the Rules of the Committee, today's hearing will remain open for 10 calendar days to receive additional materials and sup-

plemental written responses from the witnesses to any question posed by a Member.

This hearing of the Committee on Agriculture is adjourned. Thank you again.

[Whereupon, at 12:05 p.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED QUESTION

Response from Eric French, Director of Grocery, Amazon

Question Submitted by Hon. Trent Kelly, a Representative in Congress from Mississippi

Question. Mr. French, during your testimony you raised questions about the security of PIN technology, and you referenced other technologies that were as, or more, secure. To put a finer point on this part of your testimony, if the Department of Agriculture decides to implement with PIN technology as a requirement, is Amazon prepared to comply?

Answer. Yes, Amazon is fully willing and will be prepared to implement the current PIN requirement in order to accept SNAP payments online. Our statement about PINs was meant to encourage the Committee and the USDA to develop a framework that ensures the security of these online transactions without prescribing specific technologies, which could quickly become outdated. Amazon stands ready to serve as a resource to the Committee and the USDA on this important issue.

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